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THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

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AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY

THURSDAY, JUNE 18, 1942




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United States Fire Insurance Co.
 The North River Insurance Co.
 Westchester Fire Insurance Co.
 The Alleghenia Fire Insurance Co. of Pittsburgh

Organized 1824
 Organized 1822
 Organized 1837
 Organized 1868

Richmond Insurance Co.
 Western Assurance Co., U. S. Branch
 British America Assurance Co., U. S. Branch
 Southern Fire Insurance Co., Durham, N. C.

Organized 1836
 Incorporated 1851
 Incorporated 1833
 Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

Jersey Assails the Blunderbuss Insurance Critics

**S.E.U.A. Head Says He
Is Weary of Parading
Hostile Opinion**

HOT SPRINGS, VA.—The annual meeting of the Southeastern Underwriters Association was held here this week preceded by meetings of the executive committee and others. Attendance was good in spite of the national emergency and travel restrictions. The following officers were reelected: President, Louis P. Jersey, America Fore; vice-president, Ashby E. Hill, Home; manager-secretary, Lloyd T. Wheeler. Highlights from the president's message follow:

"Our entire nation now knows the need for unity and slowly but surely we are getting that unity. We are paying a heavy price for it, Pearl Harbor was just an installment. We are beginning to learn that unity is not something that just happens as an automatic result of a surge of patriotism. Rather, we are finding that it grows from every individual, every group of individuals, business and business groups doing their respective jobs in such manner as to accomplish a common objective.

Constant Carping Criticism

"In this connection, there comes to mind the constant carping criticism of business generally, and the insurance business specifically. As to our own business, I recall reading recently the charge that the leadership in our business has become fossilized. That company executives are standing in the way of enlightened progress. For my part, I do not believe anything of the kind and I am becoming a bit weary of such parading of hostile opinion. Not that we are without faults but, rather, because our business is not without a long list of virtues and accomplishments. This sort of thing contributes nothing to unity. On the contrary, it fosters an unhealthy state of mind in our own ranks, particularly our field men and agents, who do not understand why every such attack is not immediately and vigorously answered.

"I have a very high opinion of our publishers and editors and recognize their difficult task in reviewing the writings of those whose ambition is to write a scare headline or score a scoop of doubtful value. But, in all deference, a very heavy responsibility rests on the American press and, as to our business, the insurance press, for the very simple reason that too many people believe everything they read. The demagogue and fifth columnist know this.

"In times like these it isn't difficult for a writer to fill his column with something 'hot' or the crusader to at-

Large Property Owners Decide to Get War Cover

BOSTON—Sound business judgment rather than any war scare appears to have actuated large property interests in New England and the east generally to decide to apply for the government's new war damage insurance.

Directors of large business concerns and institutions are practically unanimous in their belief that the possibility of an invasion and bombing of the eastern coast is very remote, but they do not want to be in the position of having failed to avail themselves of the war time protection in case damage is inflicted on properties for which they are custodians. They also advance the argument that the cost of the protection is so low that the matter of expense is a minor consideration.

Among those who have indicated they will buy the cover are the boards of John Hancock Mutual Life, New England Mutual and Liberty Mutual, on their costly and comparatively new home office buildings in Boston; Massachusetts Institute of Technology. Insurance offices in Boston are being deluged with calls for application blanks for protection for outstanding mercantile and manufacturing plants. Many of the larger and more costly church edifices will also avail themselves of the special protection.

Boston Manufacturers and other large mill mutual groups in Boston report that already about 20 percent of their large assured have indicated their intention of securing the protection. Meetings of boards of directors are being held from day to day for endorsement of the new coverage.

INTENSE INTEREST ON COAST

PORLAND, ORE.—The insurance buying public in the Pacific Coast states is manifesting great interest in the progress of government's war damage in-

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tract a following with some wild scheme. Either can point to the mighty task being accomplished by industry: The miracle of changing over great plants producing peace time materials to greater plants producing implements of war; and weave this into a criticism of the insurance business for not doing something just as revolutionary. Carried away either by the hysteria born of war time or the desire to take a crack at our business, he overlooks the fact that while it is quite necessary to the war effort for an automobile plant to retool to produce tanks or planes, it is just as necessary, in the public interest, for insurance companies to continue doing their regular job of supplying insurance facilities.

"The test of a man is not how he behaves when on parade but how he acts under pressure. The value of his character is determined by its capacity to become a channel through which his influence flows out to the world. Sunshine is not a test of character, except as many people find it difficult to be nious and prosperous at the same time. The real test of character is an atmosphere of storm and strain."

Ask Companies to Cover "Gap" in War Protection

At the convention of the National Association of Insurance Commissioners in Denver, Superintendent Pink of New York offered a resolution that was adopted, urging the insurance companies to extend the coverage that they grant so that there will be no gaps between the protection now afforded by policies of private companies and the contract of the War Damage Corporation. The same resolution congratulates the Reconstruction Finance Corporation on working out the arrangements for operation of the War Damage Corporation and offers the cooperation of the commissioners in expediting the program under the various state laws.

The organization companies have made no official statement in response to the Pink resolution. At least one reaction is that the companies cannot be sure of the exact extent of the "gap" in protection until the final, official word is given on the War Damage Corporation coverage. There is definitely extreme timidity in approaching the idea of offering U. & O. Insofar as covering training accidents is concerned, one consideration is the reported fact that the government is making repairs for property owners without actually admitting liability.

Superintendent Pink is in accord with the position of the fire companies in holding that until the policy of the War Damage Corporation is received, it is impossible to determine whether a gap exists between the coverage supplied by the government and that furnished by the private carriers, and if so its character and extent. Should a revealed gap prove to be minor in character, his thought is the fire companies should arrange for its assumption; if, however, a potential real hazard would seem to exist and one private interests would not feel warranted in carrying, an effort should be put forth to amend if need be the statute creating the WDC authorizing its taking up the liability, the first consideration being that complete coverage be supplied the public whether furnished through private companies or a government agency.

No one seems to have a very clear idea of what the "gap" is between private insurance and WDC cover, although almost everyone talked about it freely.

The insuring clause of the war damage policy covers loss or damage from "enemy attack, including any action taken by the military, naval or air forces of the United States in resisting enemy attack."

No Consequential Coverage

War Damage Corporation has announced that it will cover only direct damage and that no provision has been made for writing use and occupancy, profits, rents, and other indirect damage coverages. The policy itself excludes these indirect losses and also excludes burglary, robbery, theft, larceny, pillage, looting, neglect of the assured to use all reasonable means to save and preserve the property after insured damage, sabotage, blackout, confiscation, nationalization, expropriation.

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Final Decisions Being Made on War Cover

Part of Regulations and Policies Already Supplied to Companies

NEW YORK—Copies of the War Damage Corporation's policy are being sent companies throughout the country, the first supplies going to offices on the Pacific coast, followed in turn by those located in west and in the east. Also the companies have been supplied with so-called regulations B which contain instructions as to policies, coding of policies, method of accounting and money handling procedure and rates.

Consideration is still being given the appeal of financial interests that coverage be afforded securities by the WDC and decision in such connection is expected within a short time. It is not now contemplated that a special office for handling WDC affairs be established in this city, the thought being that all business will clear through the Washington headquarters. F. A. Christensen of America Fore is executive vice-president of WDC and plans to spend considerable time in Washington.

Certain changes in the proposed advisory committee membership having developed, the personnel will not be announced until the slate is finally determined upon.

Three Applications, Three Tickets

Regulations B contain a number of specific instructions of interest primarily to the fiduciary agent.

The application will be supplied in sets of three numbered copies of the application proper and three attached tickets which will correspond to the upper part of the application.

The producer will make out the application and ticket forms in one operation and retain the No. 3 copy of the application. No. 1 and 2 copies and all three copies of the ticket will be mailed to the fiduciary agent with the remittance.

Unnumbered policies will be sent by the WDC to only the home offices of each fiduciary agent and these must be received for. Each fiduciary agent will number its own policies under the uniform plan. Policies for each authorized department or branch of the fiduciary agent must be sent to those offices by the home office of each fiduciary agent. If departmental or branch offices are appointed to act as fiduciary agents, the prime fiduciary agent must advise the WDC.

The policies will be furnished without daily reports and the fiduciary agent's copy of the application, filed in numerical order, will be its daily report.

The No. 1 copy of the application is to be attached to the policy. The No. 2 copy will be retained by the fiduciary

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Indiana Suggests New Plan

Resolution Unanimously Adopted for Making National Association of Insurance Agents More Democratic

At a meeting of the officers and directors of the Indiana Association of Insurance Agents, June 12 at Indianapolis, a resolution was unanimously adopted proposing a more democratic method of choosing officers and members of the executive committee of the National Association of Insurance Agents. Executive Secretary H. E. McClain was instructed to send a copy of the plan to the president, chairman of the executive committee, vice-president and secretary of the National association, secretary of each state association, with the request that the latter acquaint the officers and members with the resolution.

The members of the Indiana association take the position that there is a greater need than ever for an aggressive national body. They believe that the work of the organization can be made much more effective through a more democratic form of government. The Indiana officers are hopeful that other states will join with them in making similar suggestions, looking forward to an early change in the constitution of the National association.

Resolution Adopted

The resolution is as follows:

Whereas, the Indiana Association of Insurance Agents is firmly convinced that the best interests of the insuring public and the local agent can only be secured through an aggressive National association, and

Whereas, present trends in the insurance business emphasize that need more strongly today than ever before, and

Whereas, a strong National association can only exist when it represents all of its members fairly and aggressively, and

Whereas, the National association in its present plan of organization is not truly representative and is thus incapable of accurately reflecting the sentiments of its members and serving the best interests of that membership,

Resolved, that steps be taken by the executive committee of the National Association of Insurance Agents to immediately present amendments to the present constitution that will secure representative government for National association affairs and that the executive committee of the National association consider the suggested plan attached hereto, which in the considered opinion of the Indiana Association of Insurance Agents would make for a more democratic process in the affairs of the National Association of Insurance Agents.

New Plan Suggested

The plan suggested is:

1. That the United States and its possessions be divided into nine districts. A proposed division is attached.

2. Each district shall elect one member to the executive committee of the National association which shall be the governing body of this association. Such election shall be carried out on the following plan:

(a) The president of each state and possession association shall be allowed one vote in the election of a member for the executive committee from his respective district.

(b) All presidents of each district shall meet and elect a member from that district to serve as a member of the National executive committee.

3. The terms of the members of the National executive committee should be staggered in some manner acceptable to the association in order to give flexibility to the executive committee.

Executive Committee Nominates Officers

4. The members of the executive committee shall nominate the officers of the National association (president, vice-president, secretary and treasurer). These nominations shall be referred to

the membership present at the annual meeting for election. The right to nominate any officer or officers from the floor should be accorded to the members present at this meeting. The officers elected at the annual meeting shall be the officers of the association for the next year.

5. The retiring president of the National association shall automatically become chairman of the executive committee for the year ensuing after his term as president of the association.

6. Provision should also be made that in the event the president or vice-president is elected from the membership of the executive committee, then in that event such officer shall resign from the executive committee and the district he represents elect a new member to serve for his unexpired term.

7. Provision should also be made for the recall of any member of the executive committee by a majority vote of the presidents of his respective district in the event such majority deems it for the best interests of the National association or the district. In the event a member is removed by recall procedure then the district shall elect another member to

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Agents Convention Plans Unchanged

NEW YORK—The National Association of Insurance Agents is proceeding on the assumption that its annual convention will be held this year as usual, and will so continue unless its deferment be requested from Washington because of restricted railway facilities. The question was raised because the National Association of Life Underwriters decided to cancel its Minneapolis convention plans and to hold a smaller type of meeting in Chicago.

It is understood the Office of Defense Transportation plans on or before September 1, making a study of traffic conditions, and may forbid the holding of all conventions of a strictly fraternal nature, or where a business program is merely a pretext for a social gathering. As the agents are largely counted upon to sell the indemnity provided by the War Damage Corporation, a service of the utmost concern to the government and the public, it is argued a convention of the local representatives would be fully justified upon that score if upon no other and it is hoped the authorities will so hold.

THIS WEEK IN INSURANCE

Insurance companies have now been supplied with copies of the **War Damage Corporation policy** and also with part of the regulations.

L. P. Jersey, in presidential message at **S.E.U.A. annual meeting**, assails loose critics of the insurance business.

Page 1

General of Seattle applies for participation in the War Damage Corporation setup and after July 1 will write only non-competitive war lines such as U. & O., rents, etc.

Page 3

Indiana Association of Insurance Agents proposes a new plan for the election of officers and members of the executive committee of the National association.

Page 2

South Carolina Association of Insurance Agents elects W. B. Dunlap president at annual convention.

Page 2

Some of the features of the mid-year meeting of the **Connecticut Association of Insurance Agents** reviewed.

Page 4

Text of the blanks committee report governing the **listing of salaries of \$5,000 or more in annual statements** is given.

Page 21

Surety companies seek to induce War Department to withdraw drastic order waiving surety bonds.

Page 19

Massachusetts ballot commission rules off November ballot initiative petition on monopolistic compensation fund.

Page 24

Fire Losses Are Down 9% in May

NEW YORK—Fire losses in the United States during May as estimated by the National Board totaled \$23,233,000, 9 percent less than May, 1941, and 17 percent less than April, 1942. Total losses for the first five months of 1942 were \$148,082,000, compared with \$139,010,000 for the same period of 1941 and \$150,563,480 for the first five months of 1940.

The figures for the first five months of 1940, 1941, and 1942, are given below:

	1940	1941	1942
Jan.	\$ 36,260,650	\$ 26,470,000	\$ 35,565,000
Feb.	34,410,250	26,102,000	30,819,000
Mar.	29,788,800	31,471,000	30,505,000
Apr.	26,657,190	25,330,000	27,960,000
May	23,446,590	25,637,000	23,223,000
Total 5 mos.	\$150,563,480	\$139,010,000	\$148,082,000

Tex. Agents Are Jolted by Report of O. P. Lockhart

Interview on Commissions

DALLAS—Just as the fire and casualty people were feeling elated over the harmonious and cooperative spirit existing between the companies, local agents, and insurance commissioners of Texas, a feeling that seemed confirmed and justified by the talk of the Chairman O. P. Lockhart at the convention of the Texas Association of Insurance Agents in San Antonio recently, a United Press dispatch under an Austin date line appeared in many Texas papers that definitely disturbed the tranquility and caused much speculation as to the cause of the outburst. The newspaper story says:

"Insurance agents are in for some trouble in Texas. Chairman O. P. Lockhart of the board of insurance commissioners asked this week why agents' commissions should be so high. "Lockhart is a determined sort of fellow so can be expected to continue to ask the question until he gets a satisfactory answer. If he doesn't get a second member of the board to vote with him, the commissions of said insurance agents will be regulated downward.

"If an agent walks into a building and writes a policy on it and the premium is \$100, how much do you think the agent gets?" Lockhart asked. The news man to whom Lockhart pointed the question did not know, so Lockhart answered himself.

"He gets \$40."

"All the equipment the agent needed was a pencil and a piece of paper. Can you tell me any reason why the property owner, who pays the premium, ought to have to pay him \$40 of the \$100?"

S. C. Agents Ask for Agency and Company Unity

W. B. Dunlap Elected President at Annual Convention in Columbia

NEW OFFICERS ELECTED

President — W. Ben Dunlap, Rock Hill.

Vice-president — Howard B. Smith, Mullins.

Secretary-treasurer — J. T. Hudson, Spartanburg.

National councillor — L. A. Grier, Spartanburg, retiring president.

Manager — Henry A. Brown, Columbia.

New members executive committee, J. B. Ballentine, Batesburg, and Z. T. Abbott, Westminster; reelected, James M. Richardson, Hartsville; T. B. Boyle, Columbia; Joel S. Morse, Abbeville; Frank B. Schachte, Charleston; C. E. Robinson and William Goldsmith, Greenville.

COLUMBIA, S. C.—About 250 attended the annual convention of the South Carolina Association of Insurance Agents here, and it was one of the most successful ever held. Interest was high throughout the meeting.

W. Ben Dunlap of Rock Hill, the new president, moves up from the vice-presidency. He has been in insurance since 1930, and is vice-president of the Rock Hill National Bank.

Among the resolutions passed was one referring to unity between agents and companies. "We recognize the importance of a National association more and more during these unusual times," the resolution states, "and extend sincere thanks to the officers and executive committee for the sacrifices that each one is making to further the interests of the association. However, we believe that a closer relationship should exist between the agents' association and the companies and we urge the National association to use every effort to cultivate a more perfect unity with the companies so that there may be a united front presented in all decisions affecting the public."

The association made two changes in its annual procedure. One is that the president shall serve for one year only, and the other that the annual get-together dinner will be called the president's dinner.

Improving Public Relations

The National association was well represented by Vice-president David A. North, New Haven, Conn. This was Mr. North's first official visit to South Carolina and the entire convention was delighted by his presence. He made friends easily and was kept very busy answering questions.

Mr. North made a strong plea for a united approach to the problem of insurance public relations. He urged the establishment of an all-industry office in Washington. This would enable the business to aid government agencies in matters pertaining to insurance and could also take back to insurance centers the philosophies and aims of government agencies and officials whose

(CONTINUED ON PAGE 6)



W. B. Dunlap

Interstate Risk Study by Western Officials Pondered

Report Released at Denver Convention Attracts Much Attention

The report of a committee of the Western Conference of Insurance Commissioners on interstate rating in the fire insurance field that was made available at the convention of the National Association of Insurance Commissioners in Denver attracted much favorable interest. At the meeting of the committee on interstate rating over which Pink of New York presided, reference was made to this report and a digest of it was given by Eugene Fay of the California department. That committee set forth 12 cardinal principles that should govern any solution of the problem and those principles were briefly set forth in the article in the June 11 edition of *THE NATIONAL UNDERWRITER*, on Page 26 entitled, "Tackle Problem of Interstate Rating." Due to an error in transmission of the article by telegraph, these principles which are set forth briefly in the second column of that article are made erroneously to appear as recommendations of C. W. Hobbs of the National Council on Compensation Insurance.

Maloney, Sullivan and Fay

The committee of the Western Conference consisted of J. R. Maloney of California, John F. Sullivan of Washington and Mr. Fay.

The committee points out that the matter of insuring properties and values located in a number of different states has been under consideration by the commissioners for many years and in 1928 the association adopted a report which brought about the creation of the Interstate Underwriters Board and the adoption of a nation-wide definition of marine insurance.

It was brought out that at that time local restrictions such as those embodied in the resident agency law, standard policy law, anti-discrimination and rate regulation laws, etc., constituted barriers to effective handling of interstate business and the insurance needs of such business were being served by non-admitted carriers. For competitive reasons the admitted companies had resorted to the device of writing fire lines as marine insurance.

Purposes of I. U. B.

The I. U. B. was set up to serve as a central office to gather from state rating organizations the local tariff rates on properties which a member company desired to insure under an interstate reporting contract, compute an accurate average rate covering all such properties based upon the correct local tariff and subject to a 20 percent increase over the rates for the highest percentage of coinsurance. The idea was that these average rates would be published simultaneously by all state rating bureaus and would be available to any licensed agent or broker; that certain floater and reporting floater policy forms, master policies covering the insured in whatever state his property is located, would be adopted as standard by the state and would be written into the rule book; that an underlying policy would be written for each state and data would be furnished to the companies and states upon which the premium tax could be assessed; that the central office would keep a record of brokers and their various state licenses.

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Illinois Farm Agents in Session

J. E. Cryan Outlines Possibilities of Hail Insurance at Peoria

PEORIA, ILL.—The annual convention of the Illinois Farm Insurance Agents' Association is being held here Thursday. The turnout is good. Business for the farm agents has improved materially the past year or two along with farm conditions and there is much interest in a fine program.

An extremely optimistic picture of hail insurance possibilities was drawn by J. E. Cryan, assistant manager of the farm and hail departments of America Fore, Chicago. Net farm income is greater than total wages paid by all manufacturing industries in the United States; is greater by 43 percent than the net income of all U. S. corporations, he said. The average income for farms in 15 midwest states is more than \$5,000,000 yearly.

Illinois Potential Is Enormous

In Illinois the 1941 corn crop was worth \$277,000,000; soy beans, \$74,000,000, and other crops, \$147,000,000. If a hail policy were written for the entire state, on 7,785,681 acres of corn, insuring at \$30 an acre at the prevailing rate of 2 1/4 percent, total hail premiums would amount to \$5,255,334. Figuring other crops on a similar basis, hail premiums for all Illinois crops would be \$9,642,861 a year. This compares with a peak U. S. volume of \$20,000,000. Actual Illinois writings in stock companies total \$224,252, or about 2 percent of the potential, he said.

Mr. Cryan pointed out that the reason many agents do not write hail cover is that they have never gotten started. Four years ago one farm agent who had not previously written the cover suggested it to a farm assured and got the business. This year he will have more than \$8,000 in hail premiums, all on the cash basis. In some states, though coverage is offered on the note basis, more than 99 percent are paying cash this season.

Another agent in a state with a low hail frequency finds no difficulty selling the line. The biggest problem is to get to the farmer; once that is accomplished, the agent makes the sale in from five to 15 minutes. In three years he has built his hail volume from nothing to \$3,500 a season.

Protects Other Business

Farmers who are good customers of the agent for other lines may be buying hail cover from other companies. This may be a string by which a competing agent gets all the insurance of the assured.

No community, Mr. Cryan said, is immune from hail. There is not a township in the state that hasn't had a hail storm in 20 years. With the 2 1/4 percent rate, if the farmer has a total loss

Commissioners Eye Problem of Municipal Taxes

Insurance companies were much interested in the fact that Commissioner Gontrum of Maryland at the commissioners' meeting in Denver, opened up the question of municipal license and privilege taxes on insurance companies. Mr. Gontrum read a statement at a committee meeting that had been furnished to him by an insurance company and he said he was very much in sympathy with the points brought out by that company. The final action was decision to enlarge the committee and make a report on the subject at the December meeting.

This company pointed out that the ordinances under which the taxes are sought to be collected vary. Some consist of a flat rate per year. Others consist of a flat rate plus a percentage of the premiums. Because of the complexities and difficulties of complying with these local ordinances, companies frequently withdraw from small communities. In one state the company is subjected to taxes in 17 municipalities and the tax in each place is on a different basis.

Administratively these taxes are unworkable, this company stated. The insurer must depend on the agent to pay and frequently the agent does not comply with the requirements and thus lays the company open to a penalty. Tax ferrets are busy in a good many places and seek to make collections on a 50-50 basis. The license years vary between communities. The tax base varies and it is entirely possible for a company to pay a tax three times on one premium. For instance, a tax might be paid to the state, a second tax might be paid to the city in which is located the agent that wrote the business and a third to the city in which the risk is located.

Mr. Gontrum stated that the states should prohibit the imposition of these additional local taxes. In Maryland, he said, the department sponsored a measure that was passed eliminating such taxation.

or an accumulation of losses equal to a total loss in 44 years, he has his premium back and has had the protection for that period.

Hail business produces a greater percentage of losses to number of policies than most lines. The ratio is, roughly, one to six. This means the agent more frequently goes back to the customer with money and thus has a closer relation with him.

Rose Heads B. C. Underwriters

VANCOUVER, B. C.—Jack E. Rose, branch manager in British Columbia and Alberta of London & Lancashire, was named president of the British Columbia Underwriters Association, succeeding Mark Neville, branch manager Eagle Star group. Vice-presidents are: Fire, John Ander-

General of Seattle Applies for Place in WDC Setup

Will Continue to Write on Own Account War U. & O. Covers

General of Seattle, effective June 30, will discontinue writing war risk insurance on those classes of property to be underwritten by the War Damage Corporation, H. K. Dent, president, announces. General will continue to write war risk insurance on U. & O., rents and other classifications not written by the WDC.

General and First National have applied to the WDC to act as fiduciary agents.

Now on Contractual Basis

"We have decided, in view of the fact that the government is now prepared to furnish insurance on a definite contractual basis, that the need for writing this insurance, which has existed in the past, is no longer important," Mr. Dent declared. He said it is not the desire of the companies to compete with the government, especially on the basis of the uniform rates applicable to all territories.

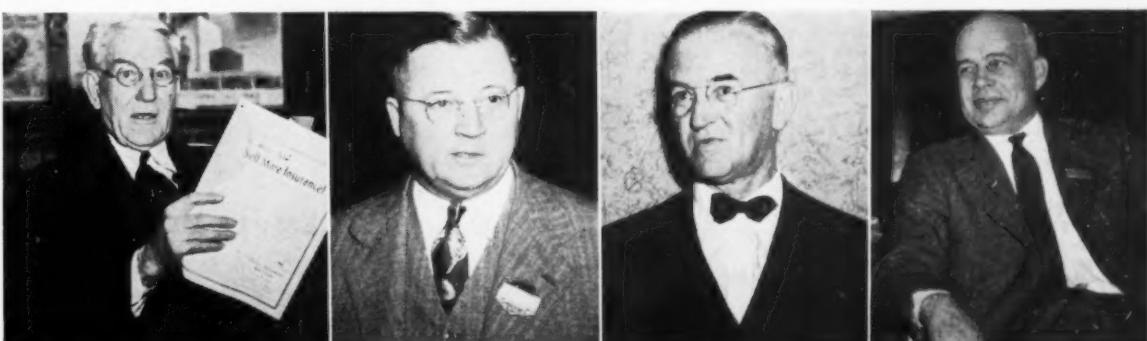
Mr. Dent stated that the "reasonable" free protection which expires on July 1, is "on a restricted basis and up to a limited amount" and that General has been writing war risk insurance in fulfillment of its "obligation to the public and to our agents."

Mr. Dent stated that only \$100,000,000 has been available for losses and the administrator of the government plan "has stated that if that amount were exceeded there would be no further protection, but that the matter would have to go back to Congress." He said the \$100,000,000 covered losses in the Philippines and Hawaii and no one knows whether the amount has been exceeded or not, "but it probably has." Also, it has not been definitely stated whether these losses would be paid before the end of the war or after.

"We could not believe that one disaster could or should change the principle of writing this business. While we hesitated to stand alone and used every effort to get the organization companies to change their position and

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son, manager Commercial Union; automobile, A. E. Bibbs, manager North British & Mercantile, and casualty, F. B. Lewis, manager Canadian Surety.



PERSONALITIES AT CONVENTION OF NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, PICTURES BY H. H. FULLER, ZURICH:

Walter H. Bennett, general counsel National Association of Insurance Agents; Otto Patterson, vice-president American Automobile; Spencer Welton, vice-president Massachusetts Bonding, and Frank J. Loren, deputy commissioner of Missouri.

Educational Work Is Emphasized at State Meeting

Connecticut Association of
Insurance Agents
Conducts Sales Program

By RALPH E. RICHMAN

A record-breaking attendance characterized the mid-year meeting of the Connecticut Association of Insurance Agents in Hartford. About 175 agents were present. The closing hour was given over to a quiz program conducted



E. S. COWLES, JR.

by Prof. L. J. Ackerman, director of education for the association. Agents from three sections of the state were pitted against one another in answering a series of questions on fire, casualty and inland marine insurance. The team from the southern section, R. M. Griswold, Greenwich; C. H. Johnson, Stamford, and Frederick Kirschner, Bridgeport, won the quiz. Each member of the winning team received a \$5 war savings stamp.

E. S. Cowles, Jr., of Hartford, president of association, presided over the deliberations.

Two Educational Addresses

Particularly well done were the two educational addresses given at the Tuesday afternoon session by C. C. Megargel, manager at Boston for the Fidelity & Deposit and by W. Franklyn White, superintendent of accident and health department Royal Indemnity. Both speakers gave practical ideas and suggestions, Mr. Megargel on fidelity and surety bonds and Mr. White on accident and health insurance.

A. C. Wallace, Goshen, president of the New York State Association of Local Agents, made an interesting point about the New York stringent financial responsibility law in contrast to compulsory automobile insurance. He said that he believed that compulsory insurance involved something of the same psychology which made prohibition fail. When freedom of negotiation on anything is taken away, restlessness, resentment and a desire to beat the law in some way takes possession of people. Moreover, compulsory automobile insurance does not reduce accident frequency or the cost of insurance.

Mr. Wallace mentioned the great assistance received in New York from

the New York Board of Trade, some of the automobile clubs, the New York state grange and the state bar association. When the measure finally came before New York legislature, it passed both houses unanimously. He advised that whenever a financial responsibility law is passed, agents should make every effort to sell insurance coverage to all who are eligible and to cooperate in every way to make the law work satisfactorily. He thought that direct sales and educational work was most effective when started about four months before the law itself goes into operation.

May Encourage Inspections

With rubber and gasoline restrictions reducing travel by field men, there may be encouraged an almost lost art, that of inspection of risks, John A. North, vice-president Phoenix of Hartford, said in his talk.

The use of time between trains and buses will offer an additional opportunity to study the fire insurance character of a town; that is, its fire department, water protection, fire stops, congested areas, and special hazards, he said. A field man 30 years ago accepted those tasks as essential duties in his assignment. Agents who have had a speaking acquaintance with field men in the past, may actually get to know

and like these fellows now, he suggested.

Fire prevention may now become more important than the actual payment of the loss, Mr. North stated. There is possible the development of rating formulae which will recognize that the largest item of the premium dollar should be for fire prevention work. No one would seriously object to that, if the job is done efficiently, he said. The war is demonstrating how vital uninterrupted production is, and it is certainly just as vital in peace time. If losses can be reduced by spending more of the premium in fire prevention work, the loss dollar has simply been shifted to a prevention dollar. In the process resources of all kind have been conserved. This seems to make sense.

There has been much talk of unity in the business in recent months, Mr. North said. The principle of arbitration has come to be recognized as fundamental in this business and is incorporated in the policy contracts, he said. All organizations at times are confronted with irritating problems and naturally insurance is no exception. It should always be possible to achieve a proper hearing and chance for orderly clearance without running the risk of confusing the public mind and exciting groundless suspicion. A few bureaucrats at least are constantly

scanning the horizon for a soiled canvas, and there is no need for it to be discovered in insurance, he said.

The amazing increase in insurable values is one of the most notable effects of the war on the fire insurance business, he said. There have been rapid increases in rental value, an orgy of home building in the low valued field, a tremendous increase in values of defense plants, machinery, and their war products.

It is estimated by the National Industrial Conference Board that expansion of manufacturing plants and their equipment in the United States will reach \$11,000,000,000 in the two years ended Dec. 31, 1942. This compares with \$3,900,000,000 for the years 1939 and 1940. This board estimates that in 1940 the net book value of all manufacturing plants and equipment was \$22,500,000,000 and that from June 1940 to March 31, 1942, it had expanded three-fourths, an increase of \$16,700,000. Private expansion accounted for \$2,300,000,000, government for \$14,400,000,000. In production of war materials as of March 1942, there has been completed \$18,700,000,000 of goods, orders placed for \$76,400,000,000 more, and there are unplaced orders for approximately \$38,000,000,000.

On the other side of the ledger there

(CONTINUED ON PAGE 26)

YOU NEVER KNOW WHO'S LISTENING

IT is the duty of every insurance man and woman, as it is the duty of every American, to be particularly careful what he says and where he says it. The insurance business is so closely interwoven with manufacturers of essential army and navy supplies, that it is natural those in the insurance business frequently know in advance of new plants, additional employees, vital machinery about to be installed, and similar information. Engineers, inspectors and claim men have intimate knowledge of men and machinery in many a plant which is a cog in the wheel of the machinery which is making America the Arsenal of Democracy. Don't tell all you know. Don't repeat any information about any risk in any public place. Don't give the enemy the tip-off. You never know who's listening. Your best friend may be the sort of a person who likes to show off his knowledge, acquired from you, by saying, "Why an insurance man told me just the other day . . ." Get the proper information to the proper authorities as promptly as possible. *But make absolutely sure it gets nowhere else.* Such warnings have appeared before and will appear again. They should be repeated again and again and again.

You Never Know Who's Listening



THE EMPLOYERS' GROUP

110 Milk St., Boston, Mass.



Plans Announced for Additional Ill. District Parleys

Eleven meetings in the series of 32 being held this month throughout Illinois, sponsored by the Illinois Association of Insurance Agents, are to be held next week. They will cover Regions 2, 3, 5 and 6.

The first will be Monday at Litchfield, with A. L. Kane of that city presiding. Three meetings are scheduled for June 23, at Sterling, Bloomington and Quincy. The chairmen, respectively, are: F. M. Stager, W. P. Brown and V. G. Musselman.

Four meetings will be held June 24. A meeting at Moline will include districts 33 and 37, taking in Rock Island, Mercer, Henderson, Bureau, Henry and Stark counties, and will be at the Le Claire hotel. C. L. Walker, East Moline, assistant vice-president of Region 3, will be in charge. Another meeting that day will be at Oregon Country Club, Oregon, and will include Winnebago and Ogle counties. B. E. Haas, of the Chas. D. Etnyre & Co. agency, Oregon, is chairman and will preside. The third meeting is scheduled at Joliet, with Herbert Regan presiding; and the fourth at Pontiac with W. P. Brown, vice-president of Region 5 presiding. The Pontiac and Joliet meetings include Putman, Marshall, Woodford, Livingston, Du Page and Will counties.

Agents of Jo Daviess, Stephenson and Carroll counties will meet June 25 at Freeport Country Club, Freeport, with M. O. Steinestel of the C. F. Hildreth Co. agency, Freeport, presiding, and agents of Grundy, Kankakee and Iroquois counties will meet at Hotel Kankakee, Kankakee, with H. E. Cooley of that city presiding.

Programs arranged for the meetings will include complete coverage of fire, marine, casualty and surety lines by prominent authorities. As a special feature, the state association prepared an outline of a representative small business establishment and agents will be asked to draft a complete insurance program for it based on the information given.

The speakers for the fire portion of meetings scheduled for next week will be John McFarland, American of Newark western department, and John Ruscoe of the Aetna Fire, speaking on fire and marine coverages; and George M. Boynton, Continental Casualty, and Kyle Simpson, Conkling, Price & Webb agency, Chicago, will handle casualty and surety lines.

In Region 6, meetings have been scheduled at Quincy, June 23, and at Litchfield, June 22. The meeting at Litchfield will be held at the Elks club and will take in Greene, Montgomery, Jersey and Macoupin counties. O. L. Kane, Litchfield, will be chairman. The meeting at Hotel Lincoln-Douglas, Quincy, with V. G. Musselman, assistant regional vice-president in charge, takes in Adams, Pike, Scott and Calhoun counties.

President McCullough Winters of the state association will attend the Quincy meeting. Meetings also have been scheduled at the Louis Joliet hotel, Joliet, June 24; Hotel Aurora, Aurora, June 30, Ottawa, June 29, and at Libertyville.

Meetings were held in Peoria, Macomb and Canton last week. Talks by well known insurance men featured the sessions in Peoria. Charles Carpenter discussed casualty and surety lines. Lyle H. Giff, Illinois association board chairman, described the educational plan of the National Association of Insurance Agents, and suggestions regarding hitherto neglected lines of coverage were made by A. Ray Moore. W. P. Brown presided. The programs at Macomb and Canton were similar.

Hint ODT to Ask All Conventions Be Canceled

Security Mutual Life of Binghamton, N. Y., in announcing cancellation

of its annual agency convention, reveals its correspondence with the Office of Defense Transportation, including a statement over the signature of H. F. McCarthy, ODT director of traffic movement, saying:

"In order to conserve transportation facilities sufficient to meet the daily increasing demands of our war effort, we shall soon issue a statement of policy asking that all conventions, meetings, group gatherings, etc., be canceled for the duration. This statement has not been prepared hastily but rather after a prolonged consideration of the known facts regarding our military transportation requirement."

Report Morin to Join Hopps in New Enterprise

Although it has not been definitely announced, it is understood that the position to be taken by H. N. Morin, who is resigning as insurance commissioner of Rhode Island, is with the South American operations to be undertaken by S. B. Hopps. Mr. Hopps has made arrangements with several Cuban and other South American companies.

Commissioners See N. Y. Policy

At the meeting of the law and legislation committee of the National Association of Insurance Commissioners at Denver, Deputy Commissioner McLoughlin of New York presented for study a copy of the standard fire insurance policy approved for use in New York after July 1, 1943. This copy was received by the chairman of the committee with the understanding that the committee would expect to hold hearings and make studies of the subject.

J. O. Milsten, banker and insurance agent of Belfield, was elected president of the North Dakota Bankers Association. J. I. Hegge, banker and insurance agent of Hillsboro, is the retiring president.



INSURANCE policies are on guard twenty-four hours a day—every day of the year! And that's of vital importance during this national emergency. How well your client's property is protected depends upon how well you have done your work. See that the policies you write fully cover your client's requirements, and place his risks in a strong reliable company—one of the Fireman's Fund Group.



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Fireman's Fund Indemnity Company — Occidental Indemnity Company

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S. C. Agents Ask for Greater Unity

(CONTINUED FROM PAGE 2)

duties bring them constantly into contact with insurance. Leaders in other industries are amazed that no such mechanism exists in the insurance business, he said. He wondered why nothing had been done, although there has been considerable talk about it. He believes that it is not because of jealousy that might exist between the fire and casualty business as to leadership of such a movement or between the companies and agencies. Agents are willing to undertake their share of the expense of such an office through the National association, he stated.

Agents Best Testing Means

Mr. North recently was discussing with a fire company executive an idea that National association has been investigating of employing technical experts to poll public opinion of insurance. The executive said that so far as he was concerned the agency force of his company was the best way of sampling public opinion. This is true, Mr. North said. Then why not utilize it in a systematic, concrete and intelligent manner? He suggested that companies should hold more meetings with their agents to get the latter's ideas of what the public is thinking and how it is reacting to insurance practices. It may even be possible to have an insurance congress of public opinion, with representatives from fire, casualty and marine companies, large and small, and insurance producers from all sections of the country, representing rural communities, large cities, and some in between, for improving the relations between the buyer and the business.

No other industry or group in America has given their services with any greater disregard of profit to themselves than the insurance business in connection with the war damage protection program, Philip C. Abney, second vice-president Firemen's, said. His talk was one of the highlights of the convention.

Agents have two obligations in the matter, Mr. Abney believes: To acquaint assured with the coverage and sell it to them for their own good. It is more important to protect against that peril which is capable of producing devastating loss, though the likelihood of occurrence may seem remote, than to protect against hazards of more frequent occurrence which are less serious in consequence, he said.

At the same time, agents should make known to the public the part

which they and the companies are taking in the protection of the national economy in the period of great peril. To do so is to help the institution of insurance and to protect the American agency system.

The operation of War Damage Corporation should be satisfactory to all concerned, he said. It provides the public with an inexhaustible market for protection, and by using the services of agents and companies at cost reduces acquisition and handling expenses to a minimum, making possible very low premium cost. It permits agents and companies to discharge their obligations to the public, and by assigning to them the actual operation of the program does not disregard their rights under the American system of business by private enterprise. It was the preservation of these rights against governmental intrusion which caused concern to so many in the business, he said.

The various criticisms that were voiced during the development of the WDC program Mr. Abney does not regard as unfortunate but as a reflection of the democratic way in which things are done in the United States. The negotiations brought about a workable conclusion in the good old American way, he said, after argument of their points of view by those interested, with all having the privilege of independent action if they felt the situation called for it.

Firemen's was one of the three private carriers writing war damage insurance.

At the end of Mr. Abney's talk he was bombarded by questions from the floor for 20 minutes. Then there was a round table discussion on the same subject headed by H. Pierce North of the Business Development Office. Assisting Mr. North were Mr. Abney; J. Dewey Dorsett, manager casualty department Association of Casualty & Surety Executives, New York; David A. North; John F. Satterlee, special agent Atlas, Columbia, and J. B. Ballantine, local agent of Batesburg, S. C. Many helpful suggestions and pointers were given to the agents during the panel, in answer to questions that are bothering agents now and will confront them in the next few months.

President L. A. Grier of Spartanburg, in making his annual report stated that much good had been accomplished during the past year for the agents. The association has gone forward in educa-

tional work, holding a state-wide school, as well as a number of regional meetings. The membership has gained about 20 percent during the year. Local boards have been very active, and two new ones were established.

Mr. Grier spoke of the excellent work Commissioner Benjamin has already done, and expressed regret that he is going into service.

Agents Qualification Bill

The agents qualification bill has been unsuccessfully pushed the past two years, but now the insurance department has promised to bring out a bill and support it. He urged agents to see their legislative representatives because in the past when officers of the association talked about the bill legislators would ask: "Why haven't the agents in my community said something about it?"

State-Wide Short Courses

The two state-wide short course insurance schools have been very successful, he said, but due to the tire and gasoline rationing, the school will be abandoned this year. However, plans have already been laid for local and regional schools, which should be of much benefit to the membership.

He told of the plans of the state for a more aggressive fire prevention program. Manager Henry A. Brown has been made a deputy fire marshal to carry on this work, he said. The association has purchased two copies of the film, "Fighting the Fire Bomb."

Some mention was made of the lack of cooperation between the Southeastern Underwriters Association and the agents. One piece of business handled by the association, because of non-cooperation by the S.E.U.A., was forced into outside hands. "With such a problem facing us we have organized a rates, rules and forms committee, and are going to use this most important committee to the best advantage to the agents and public of South Carolina," he stated.

Henry A. Brown, manager of the association, outlined some of the association's plans for the coming year, including the local and regional schools which will follow the plan for a 100-hour "grass roots" educational program as outlined by the National association.

At the president's dinner Joel S. Morse, member of the executive committee, served as toastmaster. Mr. Grier was presented a handsome pair of candelabra in appreciation of the splendid work he has done during his term in office.

Highlights in Insurance History

ABOUT THE MIDDLE OF THE 17TH CENTURY A DUKE OF BURGUNDY DECIDED TO FIGURE OUT MATHEMATICALLY WHAT THE CHANCES WERE OF A NUMBER RECURRING AT ROULETTE.



One of the chief cornerstones of modern actuarial science was laid when this Prince of France set Blaise Pascal to work spinning countless roulette wheels, making computations, and calculating chances, with the sole purpose of gaining a gambler's advantage. He little realized that this caprice gave impetus to the discovery of the theory of probabilities, which was destined to make possible modern insurance.

The basic motive for the purchase of insurance is man's age-old desire to relieve himself and his family of the risk of financial set-back—whether it be by reason of death, fire or other hazards to his property. By providing adequate protection that is individually suited to the needs of his assureds, the insurance agent renders a vital, all-important service to his fellow men! National Union and Birmingham agents are backed all the way, with modern efficient service, and friendly cooperation!

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General of Seattle in WDC Setup

(CONTINUED FROM PAGE 3)

fulfill their responsibility to the public in this emergency, as well as keep the government out of the insurance business, they could not be persuaded and we concluded that it was our obligation to the public and to our agents to provide the coverage," Mr. Dent commented.

Increases in War Risk Marine Rates

NEW YORK—Important increases in marine war risk rates are announced this week.

The rate is now 10 percent for West Indies, east coast Mexico, and Central America, north coast South America to or from U. S. Atlantic and Gulf ports, Canada Atlantic and Newfoundland.

The rate goes up from 5 to 7½ percent between Bahama Islands, and north coast Cuba not east of Cardenas and east coast Florida not north of Port Everglades and west coast Florida not north of Tampa.

The rate is increased from 10 percent to 15 percent between U. S. ports and east coast South America south of Paramaribo.

It increases from 5 to 7½ percent U. S. Gulf coastwise and the rate is also 7½ percent between two U. S. Atlantic ports and between Atlantic and Gulf ports.

Similar increases are established for western hemisphere and west coast-east coast voyages via Panama. Between Pacific Coast and U. S. and Canada Atlantic the rates goes up from 10 to 12½ percent and to U. S. Gulf it goes up from 8 to 10½ percent.

To and from U. S. and Africa including Egyptian Mediterranean but excluding other Mediterranean the rate goes up from 10 to 12½ percent.

Between U. S. and Australia the rate is 7½ percent and trans-Pacific via Panama Canal it is now 15 percent, formerly 12 percent.

Hold Hearing on N. Y. Renewal Slip Proposal

NEW YORK—Use of certificates to effect renewals of fire policies in New York if their adoption was held desirable would be permissive and not mandatory, Superintendent Pink made clear at the public hearing Wednesday. Mr. Pink named as a committee to give the matter further study W. J. Reynolds, Corroon & Reynolds; Ivan Escott, Home; L. C. Lewis, North America; A. C. Wallace, New York State Association of Local Agents, and S. Goldberg, Brooklyn Brokers Association together with Deputy Superintendent McLoughlin and Chief Rater Collins.

Mr. Reynolds ardently championed use of a certificate, though offering a form different from either of those suggested by the department. His views in the main were supported by Messrs. Escott, Lewis and Wallace, while R. P. Barbour, president of the National Board, spoke in opposition, submitting a statement defining the reasons for his attitude. Later Mr. Barbour said, he was against the adoption of any form of certificate until the wisdom of its use was very carefully considered.

Mo. High Court Still Suppresses Hot Opinions

ST. LOUIS—The Missouri supreme court stood pat on its refusal to make public, as part of its record, two opinions of members of the court in connection with litigation involving fees paid out by the Cole county circuit court to fire insurance rate fund custodians and

their attorneys and for other purposes. In its new ruling rejecting the motion of Attorney-general McKittrick for a rehearing of the case, the high court offered to permit the excluded opinions to be submitted to the U. S. Supreme Court, if a review is sought by the state of Missouri, but with the provision that these suppressed opinions be sealed and be inspected only by the justices of the Supreme Court and under no circumstances to be made a part of the record.

The suppressed opinions are those of Judge Gantt, who voted against the majority in the original ruling and who has since refused to sit with the other

judges, and of Judge Tipton, who sought to reply to Judge Gantt.

New Premium Financing Plan Is Withdrawn

ST. PAUL—Due to a Federal Reserve regulation recently issued covering credit, First Bancredit Corporation has decided to withdraw its new premium financing plan brought out early in the year. The plan involved three-year term policies with the premium divided into three annual installments. While the

new regulation does not extend to such a plan First Bancredit executives decided it best to withdraw it. The regular premium financing service of First Bancredit continues and Vice-president Robbins reports business the past three months the largest since the company entered that field.

Lieutenant R. Hardin McCoy of the McCoy Insurance Agency, Monmouth, Ill., announced the arrival of his third son, Stephen Hartzell. Lieutenant McCoy is in the army air corps officers training school at Miami Beach.

... and all is well

The illustration shows an A.D.T. supervised watchman transmitting a signal to an A.D.T. Central Station. At prescribed intervals during his tour of duty he sends these signals, and so long as they come in on schedule, the Central Station knows that "all is well." But suppose that all is not well. Suppose that for any reason—accident, illness, attack by intruders—the watchman fails to signal. With A.D.T. Supervision, failure of the watchman to signal on time is an automatic call for help. The Central Station promptly investigates, dispatching armed and bonded guards when necessary to render emergency

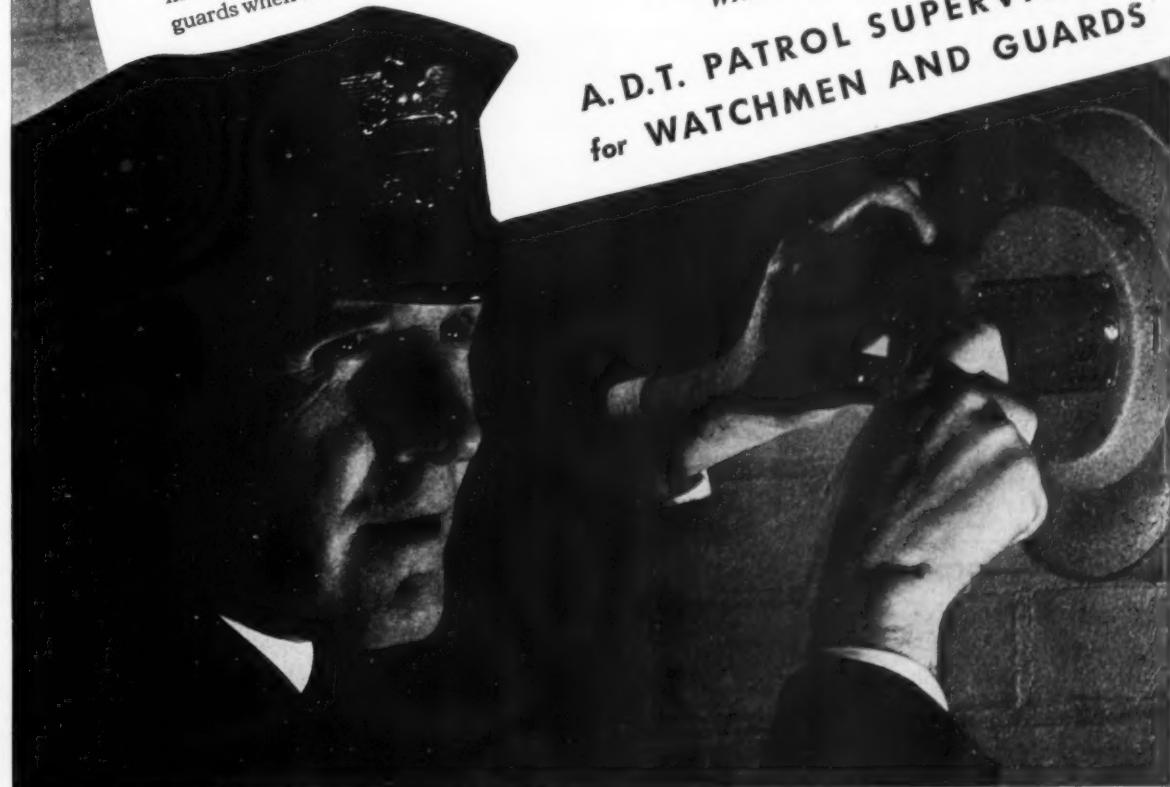
assistance, notifies designated officials, and arranges for continuity of the watch patrols if the regular watchman is incapacitated.

In conjunction with Watchman Supervision A.D.T. also provides Manual Fire Alarm Boxes to summon the fire department directly to the scene of any fire outbreak and emergency signaling devices for secretly summoning police assistance.

This comprehensive supervision and backing up of the watchman by an independent, outside organization of trained experts assures maximum effectiveness of guard and watchman forces. It keeps constant watch over the watchman's performance—not the following morning—but from minute to minute while he is making his patrols.

Write for free descriptive booklets.

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for WATCHMEN AND GUARDS



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NEWS OF FIELD MEN

Iowans Name Volz, Holt and McBeath

DES MOINES—Wesley Volz, state agent of Fireman's Fund, was elected most loyal gander of the Iowa Blue Goose at the annual meeting, succeeding Roy Ingham, Hartford Fire. O. D. Hansen, Rain & Hail Insurance Bureau, was named supervisor; E. R. Rust, Underwriters Adjusting, custodian; N. W. McBeath, Great American, guardian, and E. Arnold Smith, Security of Conn., keeper. R. P. Osier, Norwich Union, was reelected wielder for the 15th consecutive time. He has been a member of the Iowa pond 21 years and for 17 years has held office.

Six new members were initiated: D. C. Kingsley, Western Adjustment; J. B. Hickten, America Fore; Morris Toussant, St. Paul Fire & Marine, and W. N. Wycoff, Aetna Fire. R. C. Mosher, Agricultural, another new member, was unable to attend and will be initiated at a later date.

Holt Heads Fire Underwriters

A. E. Holt, Aetna Fire, was elected president of the Iowa Fire Underwriters Association, succeeding Fred Brake, Great American. L. K. Taylor, Commercial Union, was named vice president and Cornelius M. Smith, Springfield Fire & Marine, secretary-treasurer.

N. W. McBeath, Great American, was elected president of the Iowa Fire Prevention Association, succeeding J. W. Lenehan, America Fore. Leon Penquite, Travelers Fire, was named vice-president and A. R. Goodall, New York Underwriters, was reelected secretary treasurer. Mr. Lenehan becomes chairman of the executive committee, which will be named at a later date.

T. Alfred Fleming, director of conservation work of the National Board, addressed a joint luncheon session.

Other guests at the luncheon were S. A. Knapp, local agent of Ames, Ia.; Leon Morse of Council Bluffs, president Iowa Association of Insurance Agents; John Strohm, state fire marshal; and B. C. Hopkins, national councillor of the agents' association.

Mr. Morse urged the field men to encourage the holding of county schools for local agents under the National association program. He said that schools already are under way in Des Moines, Council Bluffs and Ottumwa and that an intensive campaign will be inaugurated by the state association this fall to have schools in each county.

The Iowa Blue Goose will hold its summer party Friday night at the Hyperion Field Club, with a dinner-bridge and dancing in the evening. Golf tournaments will be held for both men and women during the day. The newly elected officers will be presented.

Ill. Blue Goose Annual Parley

The annual meeting and election of the Illinois Blue Goose will be held the evening of June 29 at the La Salle Hotel. The speaker will be Special Agent W. J. White of the F. B. I. in Chicago, who will comment in connection with the showing of the film, "Men of the F. B. I." An exceptionally large turnout is expected because of the interest in Mr. White's topic. He may give the group some valuable pointers in conducting plant inspections in war time. Ralph Danforth, Millers National, is the retiring most loyal gander, and James P. Janá, Hanover, as supervisor, would, according to precedent, become the new head of the order.

The next regular meeting of the Kansas Fire Underwriters Association will be held in Topeka July 7, when the new officers will take charge.

Ill., Wis., Field Clubs Meeting

The bureau field clubs of Illinois and Wisconsin are holding their joint annual meeting for three days ending Friday, at Elkhart Lake, Wis. The Wisconsin Fire Underwriters Association and Wisconsin Blue Goose also are meeting at the same hotel. The Illinois Fire Underwriters Association, W.U.A. organization is meeting at Delavan Lake, Wis.

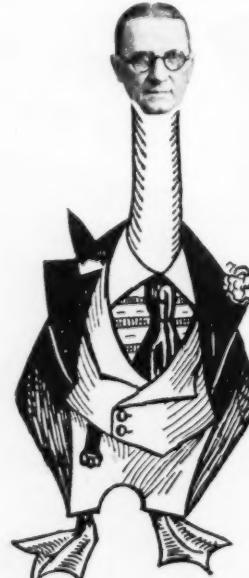
H. W. Bailey, Dubuque F. & M., Milwaukee, president Wisconsin club, and N. B. Olsen, Northwestern National, Springfield, president Illinois club, are presiding jointly at the meeting of bureau clubs. I. E. Frey, Firemen's group, Milwaukee, is secretary of the Wisconsin club and Leslie E. Whaling, Firemen's, Springfield, of the Illinois club.

The meeting started Wednesday and will conclude Friday morning with election of new officers. Wednesday afternoon there was a soft ball game between teams of the two clubs captained by E. S. Willam and C. P. Hall. The Blue Goose initiation, stag and annual meeting was held Wednesday evening at a dinner.

James C. O'Connor, editor "F. C. & S. Bulletins," Chicago, will give an address in the general session Thursday

First Citizen

W. T. Benallack of Detroit, secretary Michigan Fire & Marine, who is the



perennial wielder of the Michigan Blue Goose, will be in fine trim next week at the annual meeting at Onekama, Mich. He will make one of the addresses at the banquet. He now is the oldest survivor who served as most loyal gander of the Michigan pond, his date being 1907. The next is A. F. Powrie, now western manager of the Fire Association, who served in 1908. Gander Benallack is the head and front of the Michigan Blue Goose. More than that he is past most loyal grand gander and has never failed to attend a grand nest meeting. He has missed only one meeting of the Michigan pond in its 36 years and that was at the time of the death of his brother. He will shine with a bright, scintillant light at this year's quackfest. In many ways W. Tecumseh Benallack is acknowledged the first citizen of Blue Goosedom.

morning on "War Damage Insurance." P. W. Oliver, manager marine department Dubuque F. & M., also will speak.

In the afternoon there will be a golf tournament in which a number of prizes are to be awarded, and for those not golf-minded there are tennis and card parties, a boat trip for visiting ladies and other recreations. A horseshoe tournament will be held Thursday afternoon and a dinner-dance in the evening. The motion picture "Hell from Heaven" with commentary by Charles Kruse will be exhibited Friday morning before the business session.

Overton Named as Head of Alabama Blue Goose

BIRMINGHAM, ALA.—The Alabama Blue Goose at its annual meeting in Birmingham elected Dillon S. Overton, special agent of Johnson-Overton Co., Birmingham general agents, most loyal gander to succeed E. H. Mathewes, Jr., North America.

Other officers are: Supervisor, H. H. Sands, Montgomery, Royal-Liverpool; custodian, Homer A. Howell, Birmingham, American; guardian, W. W. Branch, Great American; keeper, E. F. Marquardt, Montgomery, Cotton In-

surance Association, and wielder, R. N. R. Bardwell, Jr., Birmingham, Fire Companies Adjustment Bureau. Messrs. Mathewes and Sands were elected delegates to the grand nest.

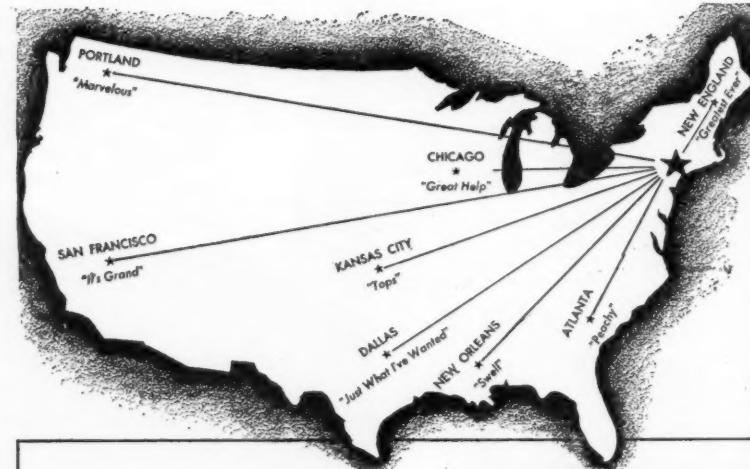
New members elected were Stokely Chambers, Fire Companies Adjustment Bureau; C. C. DuBose, Cotton Fire & Marine Underwriters, and G. W. Sergeant, Fire Companies Adjustment Bureau, all of Birmingham, and M. G. Waitt, Cotton Insurance Association, Montgomery.

By unanimous resolution the pond voted to suspend the dues and keep in good standing all members who have or will in the future join the armed services. Social features included a golf tournament, dinner and dance.

The Ladies Auxiliary elected Mrs. W. W. Branch, Great American, president to succeed Mrs. Lawson Stark, Firemen's group. Other officers: Mrs. Vernon Canney, Alabama Inspection & Rating Bureau, is vice-president; Mrs. Ralph Brooks, Crum & Forster, secretary, and Mrs. Loye Stynchcombe, Firemen's Fund, treasurer.

Dwyer with Buffalo in N. E.

John F. Dwyer has been appointed special agent of Buffalo for Massachusetts, Rhode Island and Connecticut, with headquarters in Boston. He



FROM all over the country enthusiastic reports are coming in from agents who are using the MARCH OF SECURITY! Because this visual sales help is so easy for the layman to understand, it has already proven to be a decided asset in increasing sales. Another example of the worthwhile and sales-closing aids which the Security Group is furnishing their agents!



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June 18, 1942

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H. M. Forrey to Minnesota as Fire Association Head

The Fire Association group announces that Harry M. Forrey of Chicago, special agent in Illinois, is transferred to Minnesota as state agent succeeding George McKnight, who will soon enter military service. Mr. Forrey, like Mr. McKnight and Dean Perry, former state agent, graduated from the insurance course at Northwestern University. He worked through various desks in the western department and for five years has traveled in Illinois. He will have his headquarters at 718 Soo Line building, Minneapolis. Mr. Forrey is well known as a yachtsman often seen on Lake Michigan craft.

Memorial for Michigan Blue Goose Members

At the Michigan Blue Goose meeting next week at Onekama, Mich., a memorial will be presented in tribute to six ganders who took their flight during the year, all of whom were very well known. Frank M. Yelton was special agent for the Allemannia for many years and later was a local agent at Grand Rapids. A. H. Dinning was an old established adjuster at Detroit. Eugene E. Marion traveled for the North America and later resigned to go into the agency business at Detroit about 20 years ago. H. E. Everett was special agent in Ohio and Indiana for the Michigan F. & M. He became secretary about 20 years ago and vice-president and treasurer 12 years. George T. Watkins was a member of the Jefferson Adjustment Bureau of Detroit. W. B. Bierce had one of the old time agencies in Detroit established by his father in 1868. He became a general agent and was a picturesque character in field operations.

Florida Blue Goose Names Chadbourne as Head

Florida Blue Goose elected H. A. Chadbourne, special agent Aetna Fire, most loyal gander at the annual meeting in Orlando. Other new officers are: Supervisor, A. W. Roberts, state agent Phoenix of Hartford; custodian, Seth McKeel, special agent Great American; guardian, Sam Myrick, state agent Home; keeper, Hudson Meacham, special agent Mills & Whitner Company; wielder, Milton Spradlin, general agent Tampa.

Lt. Col. W. A. Reed of the Orlando air base and James Pittman, chairman Orange county rationing board, spoke. The board voted to instruct delegates to vote for continuance of grand nest meetings for duration.

Goslings admitted were John Steel, claim supervisor Siebels, Bruce & Co.; Steve Manthe, special agent St. Paul group, and Herb West, special agent Great American group.

Program of Ill. Fire Underwriters

The Illinois Fire Underwriters Association at its annual meeting in Delavan, Wis., Thursday and Friday, will hear William B. Carr, western manager of "Time," the weekly news magazine, on "Modern Business Conditions," and will view the film of the Underwriters Laboratories, "Fighting the Fire Bomb."

N. J. Field Meeting June 22

NEWARK—"Before and After" war pictures, loaned by Maj. C. R. Redgrave of Royal-Liverpool, will be shown at the luncheon of the New Jersey Field Club here June 22. The application of Special Agent E. K. C. John-

son, New Brunswick Fire, for membership will be acted upon.

With the consent of the Schedule Rating Office, field men are advised that because of the difficulty of obtaining approved fire extinguishers at this time, two pails of sand may be substituted as equipment in restaurant kitchens.

Wright Joins the Standard

Warren L. Wright has been appointed special agent of Standard of New York, a member of the Aetna Fire group. He will cover Massachusetts, Rhode Island and Connecticut, making his office at 141 Milk street, Boston, where the company maintains headquarters under the supervision of State Agent W. H. Boutell.

Mr. Wright is a native of New England and received his education in and around Boston. He has been connected with two general agencies and his experience also includes employment by two large insurance companies.

Fire Spoils Plans for Dakota Pond Splash

FARGO, N. D.—The annual splash of the Dakota Blue Goose which was scheduled to be held at Geneva Beach Hotel, Alexandria, Minn., June 26-27, has been indefinitely postponed due to a fire which destroyed a portion of the hotel last week.

The annual meetings of the North Dakota Underwriters Association and the North Dakota State Fire Prevention Association will be held here July 13.

Virginia Blue Goose Elects

W. H. Davidson, Fire Companies Adjustment Bureau, has been elected most loyal gander of the Virginia Blue Goose. He takes the place of G. G. Jefferson of Yorkshire. Supervisor is C. R. Hudgins, Rhode Island; custodian, Frank D. Young, Old Dominion Adjustment Bureau; guardian, J. A. Speer, National Board; keeper, W. P. Hundley, Firemen's, and wielder, J. C. Kinnett, R. B. Carger general agency. The annual meeting was followed by a joint banquet with the Stock Fire Insurance Field Club of Virginia.

NEWS BRIEFS

The annual meeting of the Chesapeake Blue Goose will be held June 19, at the Country Club of Maryland near Baltimore. There will be golf during the afternoon and a dinner will precede the meeting. R. W. Martin, National Union, most loyal gander, will preside.

Bombings of British cities were described before the San Francisco Blue Goose by E. A. Baker of the British National Fire Service. Jay W. Stevens, chief of fire prevention for the National Board and coordinator of fire departments for the OCD on the Pacific Coast, presided.

Deny "Pirating" Charge in Canada

TORONTO—The new dwelling forms of the Canadian Underwriters Association are not themselves original in that they are patterned on similarizations in the United States, non-tariff companies in Ontario declare in replying to charges by some executives of the C. U. A. companies that non-tariff insurers are "pirating" C. U. A. policy forms.

They point out that close students of the business have long been aware that forms introduced here have been but "adaptations of forms current in the United States." The Wisconsin form was cited in one interview as an example.

They also assert that the Canadian Underwriters Association made no move to broaden forms until a prominent non-tariff office took the lead in that direction.



"Our June strategy will be . . .!"

The strategy being referred to, please understand, is *selling strategy . . . a prearranged plan, complete with specific objective and specialized ammunition.*

Under such a plan P. F. & M. Agents make June the month to go after Travel and Vacation business . . . with every expectation of success. The plan is not only helping to locate prospects but to make them want what's offered.

All this year P. F. & M. Agents will be selling protection, peace of mind, on an organized, timely, strategy-minded basis. If you'd like to learn more about it, let us know.



PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

1600 Arch Street

Philadelphia, Pa.

Service Offices located in principal cities.

Complete Nation-wide Insurance Facilities for Agents and Brokers



Scan the "Gap" in War Covers

(CONTINUED FROM PAGE 1)

tion, requisition, commandeering, capture, seizure, sequestration or detention by or under order of the United States Government or any political subdivision.

One of the most obvious "gaps" is the lack of coverage against damage done by allies of the United States in resisting enemy attack. It is understood that officials who drafted the War Damage Corporation plan came to the conclusion that legislation creating this corporation did not authorize insurance against this hazard. This is not regarded as a pressing matter, although it is conceivable that attacks near the Mexican or Canadian borders might result in American property being damaged by forces of these nations.

Securities Cover

Coverage on securities has not been clarified by War Damage Corporation to date and may prove to be another "gap." The original plans included a form for financial institutions covering securities and other valuables at a rate of 10 cents. However, this was not included in the schedule of rates originally announced by the Reconstruction Finance Corporation on June 3, although there has been no official denial that this coverage will be available. Many insurance men and a number of financial institutions have been concerned about this and are reported to be exerting pressure to get this coverage authorized.

War Damage Corporation appears to have firmly decided that it will not write any form of consequential coverage. Semi-official explanations which have made their way round the business point out that this coverage would involve tremendous complications and also that an assured who cannot do business because of war damage is no worse off than one who cannot conduct his routine peace time business because he cannot get labor or materials. There appears to be nothing to prevent fire insurance companies from writing this coverage if they desire, since the agreement with War Damage Corporation provides only that fiduciary agents shall not write privately the same coverages as WDC writes. So far, however, there does not appear to be any disposition on the part of most fire insurance companies to do so, although General of Seattle announces it will provide such protection.

Exclusions in Other Policies

There is the usual speculation over the coverage of losses on the borderline of war under fire policies and the extended coverage endorsement. While it is conceivable that some losses may eventually be found to be outside the coverage of these forms and not covered by the War Damage Corporation policy, it is generally believed that there will not be many such cases. Both the 1886 and the 1918 editions of the New York standard fire policy, which are used in the majority of states, exclude loss caused by "invasion, insurrection, riot, civil war or commotion, or military or usurped power." Fire caused by riot and civil commotion can be covered by the riot policy or the extended coverage endorsement and it is commonly felt that almost any other type of fire loss which might be excluded by this clause would be covered by the war damage policy. For example, there appears to be no reason to doubt that fire caused by enemy saboteurs is covered by the New York standard fire policy.

The New England standard fire policy, used in Massachusetts, Maine, Minnesota and New Hampshire, offers a more serious problem, since it excludes in its insuring clause fire caused by "foreign enemies." There is a strong possibility that this expression might be construed to exclude fire caused by foreign agents, although this

exclusion apparently never was raised in 1917-18. Many company officials feel that it would be a mistake to try to invoke this clause in any case involving real or suspected sabotage, since it would undoubtedly emphasize the difference between policies used in various states and, if the case was sufficiently publicized, might give advocates of federal control of insurance another argument.

The latest war exclusion clause of the extended coverage endorsement, which is in force in most states, excludes loss caused by "bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power, or by operations of armed forces while engaged in hostilities (whether war be declared or not) or by civil commotion arising from any of the foregoing." This clause is so new that it has never been construed by the courts and there has been considerable confusion over borderline cases. It is possible that some case may arise which will turn out not to be covered by either the extended coverage endorsement or the war damage policy, although many observers think this improbable.

When war first broke out, there was considerable discussion over whether the extended coverage endorsement would cover damage caused by crash of a military airplane or vehicle, not actually engaged in combat with a hostile force. A few company executives even went so far as to claim that any army operation was a part of war and hence that all such accidents were excluded. Researchers then discovered that the Supreme Court of the United States long ago adopted the British doctrine that aggravation of a hazard which exists in peace time does not constitute a war risk, nor does removal of a peace time safeguard. Since then, discussion has calmed down and most authorities agree that such losses are covered by the extended coverage endorsement, although there is always the possibility of a borderline case, such as crash of a patrol plane, in which there might be a close question of fact as to whether the plane or vehicle were actually engaged in hostilities.

Statement by North

Observers regarded remarks of J. A. North, vice-president Phoenix of Hartford, at the mid-year meeting of the Connecticut Association of Insurance Agents at Hartford last week as one of the most significant and best reasoned statements on this much discussed "gap."

Referring to fire and other policies and the extended coverage endorsement, Mr. North said: "The exclusion clauses on all these policies will stand as written and if sabotage, riot, civil commotion, blackout losses, malicious mischief and vandalism are now covered under existing contracts they will not be disturbed, nor will future contracts which cover these same hazards."

On the question of consequential losses, Mr. North continued: "Some companies may decide to flirt with this source of income, but it would appear to me that as the companies have generally maintained that they cannot absorb direct property damage liability against war risk on land, they cannot with any greater safety assume indirect war risk liability. Exposure to catastrophe may be as great and as difficult to ascertain, with absolutely no existing basis for either rating or underwriting. In my opinion, private insurance cannot afford to assume such an unpredictable risk."

R. B. JONES & SONS INQUIRY

KANSAS CITY.—The R. B. Jones & Sons agency has inquired of its companies their attitude as to whether fire

and extended coverage provides protection against certain perils related to the war which presumably are not covered under the War Damage Corporation contract.

"We sent you a telegram inquiring as to the extent of the coverage provided under fire and extended coverage policy," the inquiry reads. "We now have your reply along with the replies from all of our other companies and seem to have a variety of answers. Some of these replies indicate definitely that they will construe their policies to bridge the gap between the War Damage Corporation policy and the fire and extended coverage endorsement. Another reply from one of our other companies indicates that in their opinion all airplanes in the service of either the War or Navy Department are actually engaged in hostilities and any loss or damage resulting due to the operations of these planes comes within the category of the exclusion in the mandatory endorsement.

"With this variety of answers I believe you will realize it is very difficult for us to tell our assured actually what protection they now have, or whether they will have complete protection if they buy the War Damage Corporation coverage. We have, therefore, prepared a few questions which we will appreciate your answering for us so that

we may be in a better position to serve our customers.

"Would damage by the following causes be covered under a fire policy with the extended coverage and civil authority endorsements attached:

1. By military airplane or motor vehicle while engaged as follows: Actual combat, transport service, training of personnel, patrolling, ferrying.

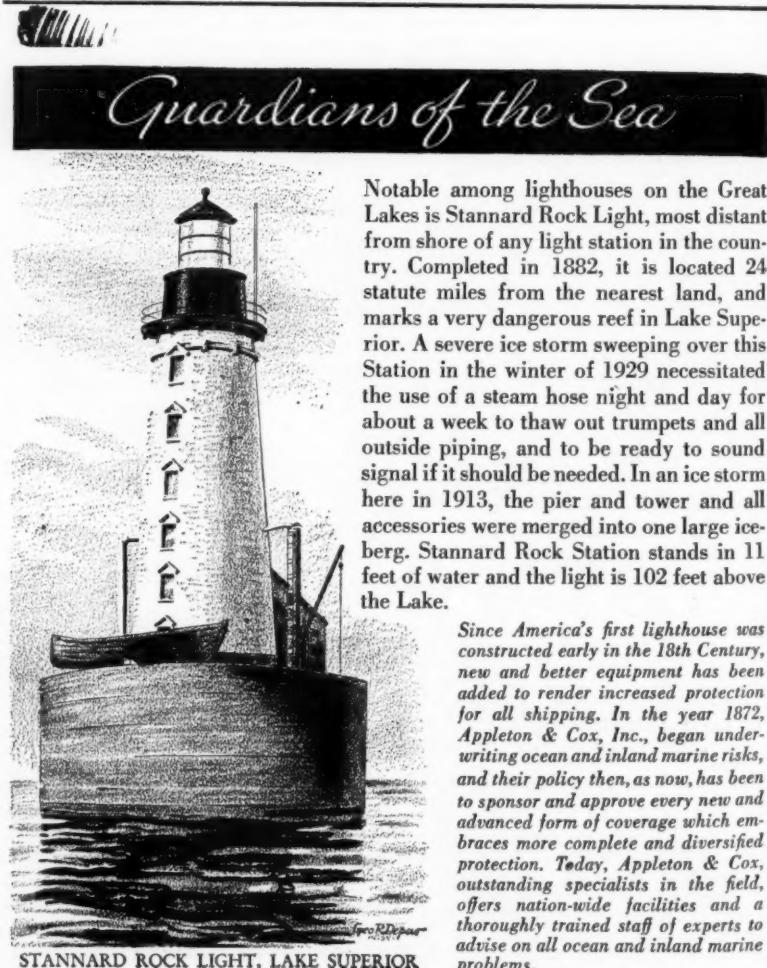
2. By the following objects falling from military airplanes: Person with or without a parachute, bomb accidentally dropped, gasoline tank or other objects cast overboard to lighten the load.

3. By fire if caused by: Sabotage, incendiary bombs.

4. Explosion: Of a munition train or other conveyance caused by an accident, by civil authority to stop a conflagration if the conflagration is started by war.

Sidebotham Agency Chief

SAN FRANCISCO—W. M. Sidebotham, for several years special agent of the St. Paul group in California, with headquarters in Los Angeles, has been transferred to Pacific department headquarters in San Francisco as superintendent of agents for the territory in the jurisdiction of Paul F. McKown, manager. Mr. Sidebotham arrived in San Francisco June 15 to assume his new duties.



STANNARD ROCK LIGHT, LAKE SUPERIOR

Notable among lighthouses on the Great Lakes is Stannard Rock Light, most distant from shore of any light station in the country. Completed in 1882, it is located 24 statute miles from the nearest land, and marks a very dangerous reef in Lake Superior. A severe ice storm sweeping over this Station in the winter of 1929 necessitated the use of a steam hose night and day for about a week to thaw out trumpets and all outside piping, and to be ready to sound signal if it should be needed. In an ice storm here in 1913, the pier and tower and all accessories were merged into one large iceberg. Stannard Rock Station stands in 11 feet of water and the light is 102 feet above the lake.

Since America's first lighthouse was constructed early in the 18th Century, new and better equipment has been added to render increased protection for all shipping. In the year 1872, Appleton & Cox, Inc., began underwriting ocean and inland marine risks, and their policy then, as now, has been to sponsor and approve every new and advanced form of coverage which embraces more complete and diversified protection. Today, Appleton & Cox, outstanding specialists in the field, offers nation-wide facilities and a thoroughly trained staff of experts to advise on all ocean and inland marine problems.

Appleton & Cox
INCORPORATED
OCEAN AND INLAND MARINE UNDERWRITERS
3 John Street, New York
BRANCHES IN PRINCIPAL CITIES

SCARFETTE LIFE &
Standard Protection
GARANTY INSURANCE

June 18, 1942

Indiana Suggests New Plan for National Association

(CONTINUED FROM PAGE 2)

serve for the unexpired term of the re-called member.

The districting of the country suggested is:

DISTRICTS SUGGESTED

District	Name of State	Number of Members
1. Maine	127	
Vermont	126	
New Hampshire	197	
Massachusetts	520	
Rhode Island	108	
Connecticut	441	
		1,519
Six states in this group.		
2. New York	1,010	
New Jersey	905	
Pennsylvania	636	
Delaware	19	
Maryland	122	
District of Columbia	39	
		2,731
Six states in this group.		
3. Virginia	369	
North Carolina	624	
South Carolina	272	
West Virginia	113	
		1,378
Four states in this group.		
4. Kentucky	281	
Tennessee	381	
Alabama	165	
Georgia	340	
Florida	508	
Puerto Rico	5	
		1,680
Six states in this group.		
5. Wisconsin	366	
Michigan	542	
Illinois	513	
Indiana	792	
		2,213
Four states in this group.		
6. Kansas	429	
Missouri	342	
Arkansas	192	
Mississippi	238	
Louisiana	412	
Oklahoma	231	
		1,844
Six states in this group.		
7. Minnesota	725	
Iowa	470	
Nebraska	142	
North Dakota	27	
Montana	73	
South Dakota	37	
		1,474
Six states in this group.		
8. Wyoming	56	
Colorado	97	
Utah	60	
New Mexico	50	
Arizona	63	
Texas	1,130	
		1,456
Six states in this group.		
9. Washington	300	
Oregon	173	
California	1,397	
Idaho	40	
Nevada	31	
Hawaii	42	
Alaska	1	
		1,984
Seven states in this group.		
		16,279

Government Cuts Out Cover on Loan Wheat on Farms

The Commodity Credit Corporation has just issued its instructions concerning loans on the 1942 wheat crop, and as expected, will require no insurance on loan wheat stored on farms. The federal unit took similar action at the beginning of the new corn loan season last August.

As with corn, in case of the total loss of the loan wheat from external causes except conversion, negligence or vermin, the CCC will mark the loan "paid" and return the note to the borrower. On partial losses the notes will be credited at the loan value plus interest for the number of bushels on which the loss occurred.

CCC loan wheat stored in approved warehouses is insured by the warehouseman for the full value as long as receipts are outstanding.

Place for General Agent in War Cover Setup

Herbert Cobb Stebbins of Denver, secretary of the American Association of Insurance General Agents, has sent a bulletin to members notifying them that insurance companies acting as fiduciary agents of the War Damage Corporation may authorize general agents to issue policies of the WDC upon receipt of completed applications and payment of gross premiums. The fiduciary agent will be held accountable to the War Damage Corporation for any misconduct of the general agent it has designated to act in this capacity.

Mr. Stebbins urges that general agents who are interested in providing this facility get in touch with their companies and make the necessary arrangements.

A meeting was held in New York Tuesday morning to consider the position of the general agents. It was decided that if the powers of a general agent are similar to those enjoyed by branch offices, the general agent can

issue the War Damage Corporation policy for a fiduciary agent.

Apparently the allowance to the general agent for performing this work will be a matter of negotiation between the company and the general agent. Even though the general agent should issue the policies, the company would still have a certain amount of expense in the way of accounting work and the company might feel that the general agents should not receive the entire 3½ percent which the fiduciary agent is paid.

Adamant on 8½ Limit

There had been some effort on the part of general agents to get the War Damage Corporation setup amended to permit an over riding commission of some kind over and beyond the 8½ percent which is the combined allowance for the producer and the fiduciary agent but those in charge let it be known that 8½ percent was positively the maximum.

The Chicago Insurance Agents Association had been quite active in this matter representing the interests of class 1 or metropolitan supervising agents in Chicago. It has had a committee considering the question consisting of Allan I. Wolff, George Rapp and Joseph Brummel.

Chicago Board Outing Has Attendance of 140

About 140 took part in the annual golf outing for members of the Chicago Board, Tuesday. It was a splendid day and was one of the best outings in the history of the organization. L. J. Fischer, Home, was chairman of the fellowship committee and presided at the dinner. He called on R. A. Parker, manager of the Chicago Board, and George Bowman of R. A. Napier & Co., president. A special guest was George Edmondson of Tampa, Fla., president of the American Association of Insurance General Agents, and he was called upon and spoke briefly. The eight high men in the golf competition will engage in a playoff within the next two weeks to determine the grand Chicago Board champion. This event is expected to be hotly contested.

Emmco Field Men to Home Office

Two field men, Walter Cook of Michigan and O. B. Perry of New York, have been transferred to the home office of Emmco and Emmco Casualty. They have been assigned to do special field work.



EAGLE IS REPRODUCED FROM A FOLDER
PUBLISHED BY THIS COMPANY IN 1870

GOING "ALL-OUT"!

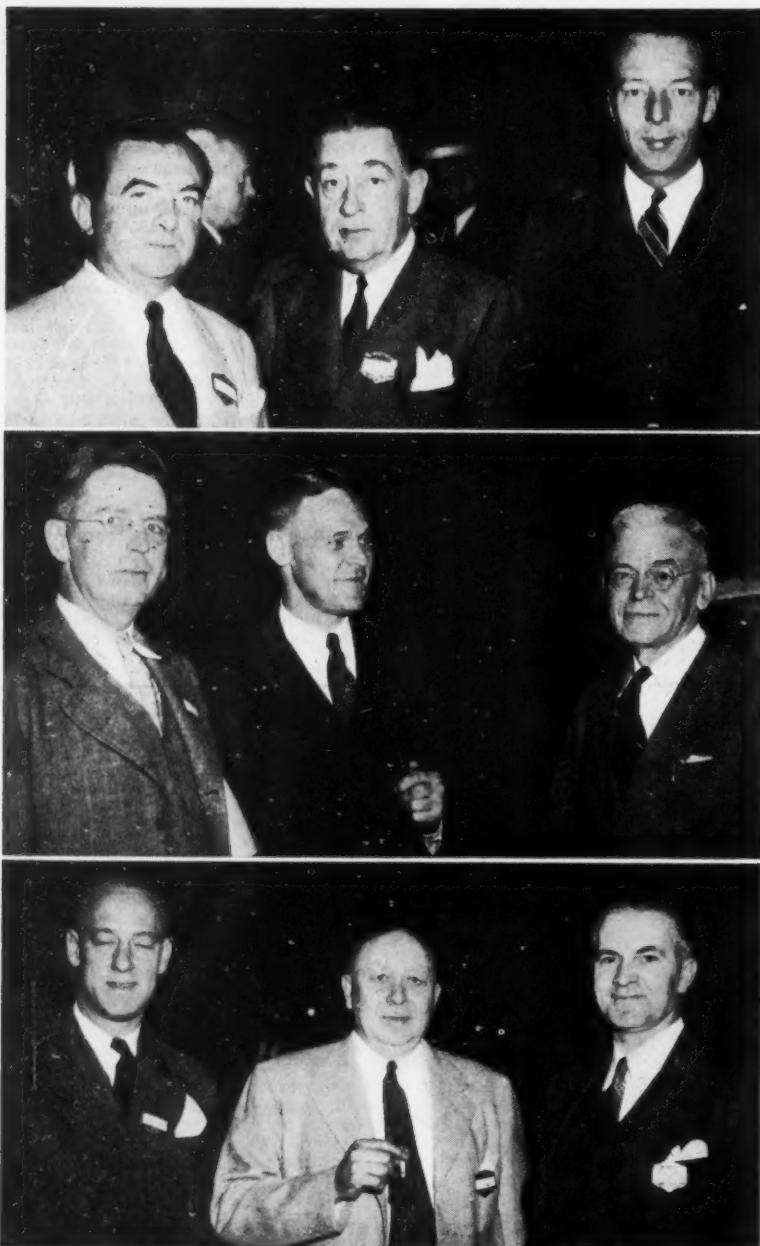
WHAT'S "all-out" in the insurance business? * * Isn't it showing people how they can prevent loss and waste! How they can have better protection! Explaining all the things their insurance policies can do for them! * * In doing this, we can show that insurance as a private enterprise is a necessary part of American life. * * Why? Because it benefits the American people!



OHIO FARMERS INSURANCE COMPANY

Chartered 1848, LeRoy, Ohio

MEMBER • THE NATIONAL BOARD OF FIRE UNDERWRITERS



GROUPS AT INSURANCE COMMISSIONERS' CONVENTION IN DENVER,
PICTURES BY H. H. FULLER, DEPUTY U. S. MANAGER OF ZURICH:

Above—Henry Moser, Chicago attorney; E. F. Williams of Allstate of Chicago and Calvin Fentress, president of Allstate.

Middle—M. V. Pew, Farmers Automobile Inter-Insurance Exchange, Los Angeles; Albert Burger, Minnesota insurance department, and Commissioner Hobbs of Kansas.

Bottom—C. F. Littlepage, E. M. Griggs and J. R. Berry, all of the National Board.

Large Property Owners Securing War Coverage

(CONTINUED FROM PAGE 1)

urance plan. Agents are anxious to be the first to disseminate information concerning the program and demands of the public for information are growing so intense that agents are almost compelled to pass along the meager store of knowledge so far released, taking a chance that the interpretation placed on incomplete or indefinite phases will be easily corrected when final, official announcements are at hand. A number of company branch offices have during the past week issued information to local agents based on published material, and many of the larger brokers and agents have circularized clientele with what information is available, receiving in response large numbers of telephone calls requesting more data. Reports of the landings of Japanese forces on the Aleutian Islands will undoubtedly have its effect on the demand for coverage

along the coast and particularly in the northwest.

MANY UNSOLICITED INQUIRIES

NEW YORK—Brokers and agents in this territory find that insured are keenly interested in purchasing the federal government's war damage coverage and many inquiries have come in unsolicited. The general feeling among brokers is that the commission is too small to be worth the trouble that will be involved but handling the coverage is a duty which they owe their clients and the public and which they intend to discharge. It is reported that arrangements have already been made to cover the Empire State building and Radio City.

Because of the credits given for high percentages of coinsurance many brokers are pointing out the advisability of taking at least as high a percentage of coinsurance as the insured has in his fire insurance.

One way in which producers simplify matters for clients is to have different types of circular letters, depending on

the client's type of property. There is no reason why it is necessary to tell the owner of a residence all about the rates and coverages available on factories and warehouses.

Mortgagee Interest a Problem

Brokers dealing with life companies, savings banks and other lending institutions have run into a puzzling situation. While the war damage insurance provides that a mortgagee's interest can be covered in the same policy as the owner's, there appears to be no certainty that mortgagees can require borrowers under existing mortgages to carry war damage coverage. Furthermore, since claims will be paid only to the extent of an insured's interest in a property, there is little incentive for an owner to buy insurance to the full amount of his property's value.

ADVERTISEMENT IN BALTIMORE

BALTIMORE—The agents of Baltimore ran a group advertisement for two days in each of the daily papers giving the important information that was available, on war damage and bombardment insurance.

After stating some of the regulations of the War Damage Corporation the advertisement declares: "The arrangement made by the War Damage Cor-

poration with companies and agents for handling this business constitutes a contribution to the prosecution of the war which both companies and agents gladly make on a non-profit basis."

There has been considerable discussion in Baltimore as to the place of solicitors in handling the war damage insurance. A solicitor here is a subagent of a policy writing agent. It seems to be the general opinion that the solicitor should not receive a part of the commission unless he does the necessary "foot work" to earn it.

HARTFORD BOARD RESOLUTION

HARTFORD—At its meeting last week, the Hartford Board of Fire Underwriters adopted a resolution requesting the banks in Hartford to require war damage insurance on mortgaged property.

One Okla. Tax Suit Dropped

OKLAHOMA CITY—The General American Life has withdrawn its suit filed in the Oklahoma district court, protesting the additional 2 percent premium tax imposed by the last Oklahoma legislature, which raises the tax to 4 percent a year, and attacking the law as unconstitutional. Similar suits filed by three other life companies are still pending.



We All...

**Companies, agents, and assureds
are in this war to win...Today
as never before our duties
extend far beyond policy
contracts...to insure against
loss of material time and
effort we must prevent loss
actively....**

TAKE CARE



Will Wright
FIELD CORRESPONDENT

THE YORKSHIRE INSURANCE CO LTD
LONDON & PROVINCIAL MARINE & GENERAL INS CO LTD
SEABOARD FIRE & MARINE AND THE YORKSHIRE INDEMNITY CO OF N.Y.
90 JOHN STREET NEW YORK CITY

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CHICAGO

MOORE, CASE OPENING

Hundreds of visitors were welcomed by the Moore, Case, Lyman & Hubbard agency of Chicago Monday in their handsome new quarters on the 12th floor of the Insurance Exchange building. Dozens of bouquets of flowers from friends set off the handsome offices.

Modern type of treatment is evident in the offices and a great many refinements in layout have been introduced to make the circulation of work, personnel and callers efficient and easy.

The most distinctive aspect of the offices is the use of "flutex," a new type of glass, for the partitions in private offices, along the outside corridor and at other points. This provides abundant light and yet gives privacy where desired.

The executive offices are concentrated at one point. There is a main aisle down the center with departments on each side and files are located in the center of the space so that they are extremely accessible to the various departments. There are two special rooms for brokers that open directly into the corridor at the elevators. The entire space comprises 16,000 square feet which is about 1,200 more than at the former location.

The layout and equipment were in charge of John K. Walker, head of the agency, and Waldo Ames, office manager.

Frank Aikin, assistant secretary of Hartford Accident, went to Chicago to pay his respects at the opening. Moore, Case are general agents for Hartford Accident. W. H. Hitchings, general attorney in the Pacific Coast department of Hartford Accident, was in the city enroute east on a vacation trip and he also visited the Moore, Case offices.

Fred W. Moore took special pride in

SPECIAL AGENTS WANTED	
Indiana-Ohio-Automobile	\$225
Iowa-Fire	\$175
Wisconsin-Casualty	\$200
Illinois-Surety	\$200

FERGASON PERSONNEL

166 W. Jackson Blvd., Chicago, Ill.

FIELD POSITION WANTED

by experienced fire insurance man. Familiar with Kansas Laws, but will travel anywhere. Draft classification 3A. References. Address P-94. The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WANTED—STATE OR SPECIAL AGENT
to share private office in heart of Columbus, Ohio with Insurance Agent. If interested in an attractive proposition reply P-95. The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

AVAILABLE

AGENCY SUPERINTENDENT—18 YEARS FIRE INSURANCE experience. Thorough knowledge accounting and office management. Married, age 46. Excellent references. Desires good connection. Address P-96. The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WANTED

Manager medium sized agency in Cleveland, Ohio, desires home office or field connection. Employed in present position since 1934 and possesses excellent production and underwriting record over a period of 13 years. Also college graduate with Harvard Business School training. Age 35. Draft status 3-A with 3 dependents. Address P-97. The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

AVAILABLE

CAPABLE SECRETARY with auto, fire & marine insurance experience. Rapid stenographer. Excellent reference. Address P-98. The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

exhibiting some photographs and material showing the office of Moore & Janes, 159 La Salle street, which was the old National Life building, the site being at the present 29 South La Salle street. J. H. Moore, his father, and John J. Janes were the partners.

UNIFORM PRINTING MEETING

A special meeting of shareholders of the Uniform Printing & Supply Co. was held in Chicago Wednesday to act on a number of proposals including reduction in the number of shares from 250 to 25 and in connection with disposition of \$600,000 of excess cash assets.

CLIFF JONES IN CHICAGO

Cliff C. Jones, president of R. B. Jones & Sons, will spend about two months at the Chicago office this summer. He and Mrs. Jones will live at the Edgewater Beach Hotel during this period.

NEW YORK

300 GET FIRST AID HONORS

More than 300 employes in insurance offices were awarded Red Cross first aid certificates at a gathering in New York, Tuesday noon, at which William Riordan, president of the Insurance Society, presided, and Frank Keeler, of the Red Cross organization spoke. As an emergency casualty station the National Board has set apart a spacious room in the grade floor of its building, 85 John street, where a complete first aid equipment has been installed by Friends of Beekman, an association composed largely of insurance people.

HUNEKE SPEAKS ON WAR COVER

A. J. Huneke, assistant U. S. manager of Eagle Star, addressed the Long Island Local Agents Association at Jamaica Tuesday on war damage insurance.

NEW YORK EXCHANGE MEETING

The New York Fire Insurance Exchange held its last meeting until October. The Caire Agency, 123 William street, New York, representing United Firemen's was elected to class 3 membership, succeeding the Caire Underwriters. The Quaker City F. & M. with eastern headquarters at the office of the Atlas was reported as having signed the exchange agreement.

The chairman of the public relations committee of the New York Board gave notice of the opportunity for exchange membership to participate in the war parade under the leadership of E. C. Niver, executive vice-president of the New York Board.

BURKERT SUBURBAN PRESIDENT

Louis B. Burkert of Commercial Union has been elected president of the Suburban New York Field Club. He takes the place of W. L. Bennett of Northern of London. W. J. Glaf of Franklin Fire is vice-president; W. R. Manley, London & Lancashire, secretary, and J. A. Neumann, Crum & Forster, treasurer.

Harrington, Morin in K. C.

Commissioner Harrington of Massachusetts and Mrs. Harrington stopped for a few days in Kansas City as guests of Mr. and Mrs. Cliff C. Jones, on their way home from the insurance commissioners' meeting in Denver. Opportunity was given for a few leading Kansas City insurance executives to meet Mr. Harrington at a small gathering attended by members of the executive committee of the Insurance Agents Association of Kansas City and the Casualty & Surety Underwriters Association. Mr. Harrington spoke off the record on subjects of current interest. Commissioner Morin of Rhode Island also spoke at the meeting.

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Final Decisions on War Cover

(CONTINUED FROM PAGE 1)

agent in a numerical file and the No. 3 copy will be retained by the producer. The No. 4 ticket will be forwarded to the nearest Federal Reserve Bank or branch for its numerical files. The No. 5 ticket will be forwarded to the Federal Reserve Bank or branch, custodian, for its alphabetical file and the No. 6 ticket will be used by the fiduciary agent for compilation of statistics and producers' commissions.

Remittances to WDC, without supporting details shall be made at least once a week by the fiduciary agent provided that monies may be retained with the approval of the WDC sufficient to enable the fiduciary agent to carry on its daily operations commensurate with the volume of business transacted. An account summary shall be prepared at the close of business each month and shall be submitted to the Federal Reserve Bank, custodian, accompanied by the Nos. 4 and 5 copies of the tickets as soon as possible thereafter but not later than the 20th of the month following that for which the report is made.

A statistical report shall be submitted by the fiduciary agent to the Federal Reserve Bank, custodian, not later than the 20th of each month as of the close of the preceding month, reflecting the amount of insurance then in force by class of risk and by states or territories, possessions and coded cities.

Whenever there is an authorized cancellation, either the canceled policy or the cancellation notice is to be attached to the fiduciary agent's copy of the application.

Special application forms are provided for additional insurance as well as reductions in insurance. Where the additional or return premium is less than 50 cents no payment shall be made. Remittances based on erroneous premium computations shown on applications may be accepted as correct by the fiduciary agent if the deviation is 50 cents or less. The fiduciary agent is required to review the description of coverage to determine the accuracy of the rate used and to verify the computations of premiums and commissions.

Each fiduciary agent will set up a record of WDC expenses analyzed as to the usual accounts as shown in the annual statement, these figures to be supported by properly approved vouchers. This information will be subject to call by WDC.

Neither a producer's service fee nor a fiduciary agent's expense reimbursement fee will be paid on additional premiums.

All fees are earned when applications are accepted. In calculating return premiums, the total of fees paid, 5 percent and 3½ percent, is to be deducted from total premiums paid and pro rata calcu-



AT INSURANCE COMMISSIONERS' CONVENTION IN DENVER:

Above—Commissioners Berry of Michigan and Carlson of Utah; middle—Commissioners Jones of Illinois and Rummage of Arizona, and below—J. W. Kennelly, former North Dakota deputy, now a lieutenant at Lowry Field, Denver, and Commissioner Graves of Arkansas.

lations are to be based on net premiums. The Association of Stock Exchange Firms has petitioned the government to include coverage on securities under the WDC program. The insurance requested would protect the securities holder against litigation costs should be furnished duplicate certificates following a bombing and later should the original instrument turn up.

The first copies of Regulations A, containing 29 rules, a facsimile of the policy, and other material, were received by producers in the mail Wednesday morning. These official rules confirm what has been published generally. The minimum premium is \$3 and the minimum service fee of the producer \$1. The commencement date of the insurance is the day it is received by the fiduciary agent. There is no coverage on securities.

RATING BUREAUS TO ACT

WASHINGTON—First shipments of material for the writing of war damage insurance began to move from Washington this week, and War Damage Corporation officials expect that every agent writing the business will have forms and manuals before June 20.

Information regarding the insurance is being sent direct to agents by the WDC, using lists submitted by the companies, but the forms and manuals are being shipped by the company which is doing the printing to the various rating bureaus which are undertaking the responsibility of distribution to the agents.

It was said that large numbers of agents already are actively canvassing their clients, informing them of the advantages of the insurance and recommending that they apply before the present blanket coverage expires June 30, and it is expected a nation-wide drive will be under way next week.

Fourteen members of the Kansas Blue Goose were guests of R. E. Van Gundy of the Topeka branch of Western Adjustment at his cabin on Lake Waubunsee June 13.

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New York

June 18, 1942

INSURANCE MEN CALLED TO SERVICE

Lloyd J. Goulet, assistant manager of the Detroit office of the Standard Accident, has received a commission in the army air corps as first lieutenant. He reported to Chanute Field, Ill. Mr. Goulet entered the employ of the company as a special agent for the Detroit branch and served in that capacity for eight years. He was then appointed production manager for the Detroit office and for several years has served as assistant manager.

H. A. Trudell, Green Bay, Wis., director and district manager of Badger State Casualty of Milwaukee, a major of infantry, is now stationed at Fort Benning, Ga.

Thomas Daly, II, assistant manager of the Thomas F. Daly Agency Company of Denver, has been commissioned a second lieutenant in the army air corps and is stationed at Scott Field, Ill. His father is president of Capitol Life and head of the other Daly insurance enterprises of Denver.

Benjamin and John D. Harrison, both Chicago field men and sons of Will H. Harrison, veteran Iowa state agent of National Fire, are now in the navy. Benjamin Harrison was formerly with the western department office of Hartford Fire. John D. Harrison, who has been a special Cook county representative of W. A. Alexander & Co., Chicago, is a petty officer. He was recently married in Des Moines to Elizabeth Richardson of Worcester, Mass.

It is reported that John L. Jaeggli, a sergeant in the air force, and son-in-law of **John S. Cutter**, secretary Iowa Association of Insurance Agents, Shenandoah, Ia., is a prisoner of war in Shanghai, China. John Cutter, a son of Mr. Cutter, who was a member of his agency, is also in the armed forces.

Jess Bradbourn, local agent at Jonesboro, Ark., who was a captain of engineers in the former war, is again in service, this time as a first lieutenant of the army police. He will be given training in third army corps headquarters in Baltimore.

Arthur R. Leach, son of Harry J. Leach, local agent at Morris, Ill., reported at Iowa City for training in the naval air corps flight course just three days after graduating from Illinois Wesleyan University of Bloomington.

W. F. Taylor, local agent of Carnegie, Okla., followed the lead of his three sons and was accepted in the navy for duty as chief mechanic's mate. His eldest son, Charles Taylor, marine private, first class, was among those lost at Pearl Harbor. Sgt. Eugene E. Taylor is with a fighter squadron in the Pacific and Private Harold E. Taylor is stationed at Fort Lewis, Wash.

Lt. Col. George C. Dutton, former Oregon field man of the Connecticut Fire, has arrived in Australia. His son, Albert, who is also in Australia with the air corps, has been given command of a squadron in an Australian outpost.

Clay M. Murray, formerly with the Fire Companies Adjustment Bureau in New York City, who joined the marines several months ago, has been promoted to captain and is located at San Diego. He is the son of R. W. Murray, branch manager of the F. C. A. B. at Tulsa.

Harry R. Thiemeyer, Jr., son of the manager of North America's service department in Chicago, has entered the army.

J. E. Teegardin, special agent of Commercial Union in Ohio, has enlisted in the air corps. He is now stationed at Patterson Field, Dayton, O.

A. L. Bates of the Bates Adjustment Co., Springfield, Mo., is closing his office as he has been inducted into the army. He has been in the adjusting business 15 years. He expects to reopen his office after the war is over.

W. S. Bizzell, manager of the Louisiana Rating & Fire Prevention Bureau,

New Orleans, has been ordered to report as captain of field artillery to Fort Sill, Okla. On graduation from Texas A. & M., Mr. Bizzell was commissioned a reserve officer, and served in both the Texas and Oklahoma national guard for a number of years.

At the meeting of the National Association of Insurance Commissioners in Denver, announcement was made that **L. George Benjamin, Jr.**, the commissioner of South Carolina, is entering military service. Mr. Benjamin, who has been in office just a few months, did not attend the convention.

John Campbell, assistant manager of the accident department of Provident Life & Accident, has been commissioned a first lieutenant in the army air corps and reported for duty at an air corps base in Florida. **Hugh O. MacLellan**, assistant secretary of Provident, was commissioned a second lieutenant in the army air corps, reporting for duty at a technical training center in Illinois.

DEATHS

A. C. Noble, Chairman of Merchants, N. Y., Dies

A. C. Noble, 62, chairman of the boards of Merchants Fire, Washington Assurance and Merchants Indemnity, New York City, died at his home in Scarsdale, N. Y.

Like many other fire underwriters of the country, Mr. Noble was a graduate of Armour Institute of Chicago, and after serving with various inspection bureaus for several years, joined the engineering staff of Continental. He left that company in 1913 to become secretary of Merchants Fire, becoming president seven years later. In 1930 he was made chairman of the board.

The Baltimore fire in 1904 prompted Henry Evans of Continental to have formed the "committee of 20" of the National Board to survey the country's larger cities for conflagration hazards. Samuel H. Lockett, who had been chief inspector of Continental and then had formed the Insurance Survey Bureau of Chicago, became the operating officer of the committee. Mr. Noble was with the survey bureau at the time and went with Mr. Lockett as engineer, remaining till 1906. He was with Continental until 1910, and then with Fidelity-Phenix.

Edward L. Ballard left Continental in 1910 to organize Merchants Fire, and in 1913 Mr. Noble joined the Merchants as secretary. It was during his presidency that Washington Assurance and Merchants Indemnity were formed.

While with Fidelity-Phenix, Mr. Noble and Sidney R. Kennedy, who was then with that company and who now is president of Buffalo, wrote an insurance novel, "White Ashes."

Outside of his office his interest centered in golf, and he frequently arranged matches between officers and employees of the Merchants group. Independent in his thinking and outspoken in his views, he was nevertheless popular with a wide circle of friends. As a company executive his emphasis on inspection and selection of risks reflected his strong engineering background.

Don S. Davis, 37, state agent of Royal group in Indiana, died suddenly from a heart attack at his home in Indianapolis. He had not been ill. The Monday before he had been a winner in the golf tournament held in connection with the annual meeting of the Indiana Blue Goose. He had been in the field for Royal in Indiana for 12 years. His father, C. F. Davis, has been with State Mutual Life in Indiana for many years.

Jack C. McClure, 50, local agent of Dallas and an active member of the Dallas exchange, died on a train Sunday night en route home from California

where he had gone on a business trip. At the midyear meeting of the National Association of Insurance Agents at Omaha he became known as that man with the serape because he wore a sombrero and serape to advertise Dallas as the next annual convention city. He was a member of the city planning board and was a captain in the first world war.

A. J. Reynolds, head of the Service Insurance Agency of Mansfield, O., widely known local agent and prominent in his locality, died last week, the funeral being held Monday afternoon. He had been ill for some time.

Ralph A. Wheeler, 71, one of the veteran insurance men at Yankton, S. D., and a long time resident there, died unexpectedly of an intestinal hemorrhage.

Corroon & Reynolds Dividend

Holders of preferred stock of Corroon & Reynolds Corporation will on July 1 receive a dividend of \$1.50 per share for the quarter ending June 30, on account of accumulated dividends.

New York Underwriters and Hartford Accident have been planted with the Service Insurance Agency of Decatur, which is composed of Mrs. Carl G. Mackin and W. S. Smith. The agency writes all lines, with the exception of life, which will be taken later.

Hail Does Much Damage to Neb. and Kan. Crops

Considerable hail damage to growing crops was experienced June 12 throughout Nebraska except the southeast corner. Many losses are running from 20 percent to total, and there are hundreds of claims. In several spots there was a high wind that laid the wheat flat, and subsequent hail did about three times as much damage as it normally would. The same day hail storms hit northern and central Kansas with extensive damage to crops. Cold, wet weather in Nebraska and Kansas has delayed binding.

Urbauer Goes with Home

Roy F. Urbauer, formerly marine special agent of Fidelity & Guaranty Fire in Chicago, has gone with Home of New York in Chicago in the marine department. Mr. Urbauer has been in insurance 12 years. He was with Fire Association, W. A. Alexander & Co., and then marine underwriter with Firemen's three years, all in Chicago.

H. E. Newall, assistant chief engineer National Board, spoke on "Fundamentals of Fire Prevention" before safety engineers at Rensselaer Polytechnic Institute, Troy, N. Y.

SPEAKING OF BIRTHDAYS!

The month of June marks another milestone in the rich history of this sturdy, dependable, friendly organization that — for 222 years — has contributed its full share to the splendid traditions of a great industry.

This particular birthday has more than the usual significance — it points a moral of hope in a troubled world. We think it is evidence that the forces of character and honesty will surely win through to victory in every corner of the globe, just as the institution of fire insurance has so successfully and honorably survived so many wars, so many economic upsets, so many social revolutions of the past.

Today we are seeking and working for victory and the preservation of our way of life — not for compliments. To the large army of agency friends working along with us we offer a pledge for the future drawn from our record of the past — 222 years of integrity, stability and service.

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EDITORIAL COMMENT

War Damage—a Responsibility

NO MATTER what phase of war damage insurance is the current popular topic of discussion, we feel that there is one outstanding principle which cannot be over-emphasized. That is the responsibility of each individual insurance man to tell everybody he knows that this insurance is available.

The probability of any particular part of the country being attacked by the enemy is unimportant. So is the personal feeling of any individual member of the public as to whether he should buy war damage insurance. The only important consideration, in our opinion, is how any insurance man would feel if the worst should happen and somebody he knows suffer a war damage loss without knowing that he could have bought insurance against it.

We do not like to contemplate an insurance man in that position. Further, if this should happen in any material number of cases, we do not like to contemplate the position of the insurance business. Putting it bluntly, the government of the United States has given insurance men a serious responsibility. Many of them asked for it. All of them have it.

Individually and collectively, the price of failure will be terrible. War damage will command headlines. The public—and the government—will want to know whether the individuals suffering losses were insured. If they were not, the burden of proof will be on insurance men to show that they told these people that they could buy insurance. If insurance men cannot demonstrate this, every enemy of insurance in public life will have his

golden opportunity—and public opinion will be solidly behind him.

Every insurance man has heard much talk in recent years about the need for "public relations." To most of them, this is something vague to be handled by company executives or organizations. Here is a concrete job which no individual can conscientiously escape—an opportunity, yes, but even more a responsibility.

We do not believe that it is necessary or even advisable to try to sell this insurance aggressively. Individual property owners can make up their own minds as to their needs. But they must be told about it. Newspaper stories and the excellent cooperative advertising of many local boards and state associations are an excellent investment in public good will, but no insurance man can dare presume that all his clients and prospects have read and digested them. He, of course, will and probably already has discussed this coverage with his larger clients. But every insurance man has a large list of contacts on whom personal calls at this time would be practically impossible. The only solution, as we see it, is to notify every person on the list through some form of understandable mailing piece. It probably will not be profitable in dollars and cents, but we can see no other way of meeting the obligation.

We have purposely referred to "insurance men," rather than the "insurance business." For this is an individual matter and the whole business may stand or fall on what the individual does.

Policy as to Conventions

H. F. McCARTHY, director of traffic movement, Office of Defense Transportation, states that his department will soon issue a statement of policy asking that all convention meetings, group gatherings, etc., be canceled for the duration of the war. All will agree that in order to promote the transportation of troops more expeditiously and the dispatch of freight, especially carrying military supplies, the government should have precedence and the public is willing to respond freely to all reasonable demands.

It seems to us unlikely that the so-called working conventions of great lines of business will be ordered canceled. We can see that certain kinds of gatherings can be eliminated during

the progress of the war without any dislocation or without much interference with the ordinary progress of business.

There is a sharp line of demarcation between conventions that are for purely business purposes and those that have a large element of entertainment and sight-seeing. The actual business is not a predominant factor. Some conventions are largely social. There are company conventions that are used largely to reward those who qualify for attendance.

The federal authorities should recognize the fact that the maintenance of business institutions is as essential as the work of military operations. The home front should not be disregarded

and be a forgotten section. Back of all military work private enterprises should be given every consideration possible so that their business shall prosper and thus may be able to sustain the vast governmental expenditures.

There is no greater institution that is helping the cause than insurance in its greatest aspect, taking into consideration fire, marine, life, casualty and suretyship. In a number of instances conferences are essential to the welfare of the public as well as to the industry itself. Many of these are held in New York City because many company headquarters are located there.

With vast moving events, with rapid changes and new demands it is essential that company officials get together and talk over the situation to see what can be provided and it is just as desirable to have producers confer because so many new problems are presented. The producers need to be enlightened not only by their own companies but by conferences among themselves. They can work far more efficiently and intelligently if they exchange views.

We do not see, for example, why the conventions of such organizations as the National Association of Life Underwriters, National Association of Insurance Agents, American Life Convention, National Fraternal Congress, Western Underwriters Association, Southeastern Underwriters Association, Pacific Board, Eastern Underwriters Association, Health & Accident Underwriters Conference, Association of Casualty & Surety Executives, National Bureau of Casualty & Surety Underwriters, National Association of Insurance Commissioners and other similar working bodies should be abandoned. Taking a broad view, the government should be interested in having such organizations maintain a high point of working capacity so that they can be of the greatest service to the business and the government in these troublous times. They are dealing with war problems. Arrangements can be made for conventions at a central point where transportation will not be so great a problem. Entertainment should be dispensed with entirely but the home fires should be kept burning and these organizations having to do with war time conditions that are imposed upon insurance should meet as they have in the past and consider the wisest plan to follow.

All insurance people are loyal and patriotic. They desire to do the utmost for their country. They feel that they can achieve much and be most serviceable in their own business and through their own organizations.

Therefore, in our opinion the Office of Defense Transportation can well study the convention situation and draw a sharp line between purely working conventions and those that are not. Restriction can be made on personal travel for purposes that are not obligatory or needed. Let us, however, maintain our working conventions so that insurance can increase its momentum, enlarge its service and adapt itself to demands that are changing almost from day to day. A number of organizations and companies have already taken action abolishing conventions during the year. They have recognized that they could well make the sacrifice regarding their gatherings as not truly essential to the industry.

PERSONAL SIDE OF THE BUSINESS

James L. Gay, mayor of Berea, Ky., for 33 years, who has represented Philadelphia Fire & Marine there nearly 25 years, has been awarded the "citation of honor" by Berea College, which is this year celebrating its 86th anniversary.

In recognition of the 40th anniversary of E. N. Woods, assistant general adjuster, with North British & Mercantile, his associates tendered him a luncheon Tuesday, General Adjuster G. L. Scott acting as toastmaster. Mr. Woods was presented with a set of golf clubs.

M. Harvey Taylor, Harrisburg local agent, has been elected chairman of the Pennsylvania Republican state committee. He is a state senator and veteran in politics.

George B. Gray, independent adjuster in San Francisco, former well known field man in Wisconsin and Minnesota, is taking a month's vacation and mingling among old friends at different points where he can still find former compatriots. He resided for many years at Fond du Lac, Wis. He traveled for the Continental, then the State of Pennsylvania and when Clarence E. Porter,

president of the State, was made western manager of the Commercial Union, he took Mr. Gray as a field man in Wisconsin. Later he was shifted to Minnesota and traveled for the Atlas subsequently. He went to San Francisco as staff adjuster for Northwestern National and when he reached retirement age he opened his own office.

L. J. Feeney of Chicago, assistant secretary of the America Fore western department, who has been out of commission since the middle of February, expects to get back to his office early in July. He underwent a serious abdominal operation and for a few weeks past has been at his home. He expects to return to the hospital for a check up before the end of the month.

At the celebration given Fred G. Rapp of Columbia, Ill., on the anniversary of his 50 years of business he was given a watch, chain, knife and other presents from his friends. He is a former mayor of Columbia. N. P. Parkinson, chief deputy, and H. Walter Hanson, Jr., supervisor of licenses Illinois insurance department, represented

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"Don't ask me how it got there. I have roadside service and towing coverage—so get busy and get it down!"

that organization. N. M. Winters of Quincy, president Illinois Association of Insurance Agents, represented that organization officially. There were 300 present including personal friends, business associates, local agents and company representatives.

H. Clyde Edmundson of San Francisco, Pacific Coast manager of the America Fore, stopped over in Chicago at the end of the week and visited old friends in that city. He had been to the head office in New York City. He was formerly associated with the western department in Chicago.

J. A. Brackney is recuperating in St. Paul's hospital, Dallas, from a major operation. However, it is reported that he is doing exceptionally well. Mr. Brackney is district manager of the Stock Company Association in Dallas.

William M. Hoffman, president of the Firemen's of Washington, D. C., has completed 50 years in the service of that company. He started as a runner and in 1903 was appointed clerk. In 1905 he became assistant secretary and in 1907, secretary. He has been president since 1921. He is also a member of the firm of the insurance agency of Howard & Hoffman.

J. M. Hoffman, a son, is chief auditor in the Chicago office of Home. Another son is V. M. Hoffman, assistant secretary of Firemen's of Washington, and a third son is W. M. Hoffman, Jr., who is in the legal department of the Southern Railway in Washington.

The charter of Firemen's was dated March 3, 1837, and approved and signed by Andrew Jackson on his last day as President and by James K. Polk, then speaker of the house.

Guy M. Landes of Tulsa, Okla., president of the Oklahoma Association of Insurance Agents, and Mrs. Landes attended the graduation of their son, Dean Landes, from St. John's Military academy at Delafield, Wis. Young Landes was presented the William Hearst trophy for marksmanship, awarded for making the best record of all military colleges in the country.

When Superintendent Pink of New York walked into the conference on interstate rating at the Denver meeting of the insurance commissioners just as it was getting under way, few had any idea how close he had come to not

arriving in time for this session, which he particularly wanted to attend. He had a reservation on the 9 p. m. plane out of Syracuse, N. Y., where he had just attended the graduation of his son from Syracuse University, but found when the plane arrived at the airport that the army had exercised its priority rights. He caught a 10:10 train out of Syracuse, debarked from it at the Englewood station in Chicago, drove direct to Chicago airport and succeeded in getting a seat on a plane which was about to inaugurate a new morning flight to Denver. He arrived just in time to go direct to the interstate rating session.

R. O. Richards, Indiana state agent of Crum & Forster, suffered painful injuries in an automobile accident Saturday on the road between Indianapolis and Terre Haute. He is in St. Vincent Hospital, Indianapolis.

E. H. Mulock, president of Central Life of Iowa, is in a critical condition in Iowa Methodist Hospital, Des Moines. He has been at the hospital since May 22 but his condition was not regarded as critical until last week when toxic poisoning developed after an attack of pneumonia. He originally entered the hospital for a kidney ailment. His condition became so serious that it became necessary to place him in an iron lung. Latest reports indicated he was holding his own, with a slight improvement.

Mr. Mulock is well known in insurance circles and was formerly connected with the Hopkins & Mulock agency in Des Moines. He served as mayor of Des Moines at one time.

Mrs. Montgomery Clark has announced the marriage of her daughter, Lenore to E. Bentley Hamilton, Jr., at Akron, O., May 30. The marriage ceremony took place at the home of the bride's aunt. The bridegroom is in military service. He is a son of E. Bentley Hamilton, Sr., of Peoria, Ill., who was one of the attorneys in the Walker Distillery loss case in which insurance companies were involved a few years ago. The bride is the daughter of the late Montgomery Clark, who was president of the Hanover Fire. Mrs. Clark resides at Bronxville, N. Y.

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NUMEROUS DETAILS which every one of your policyholders should have and will want are contained in the Special War Damage Edition of the Insurance Buyers' Digest which is now ready for immediate distribution.

Carefully compiled information regarding the War Damage Corporation's program is presented in this special edition along with data on rates, coverage, etc.

Not only will every one of your customers be interested in this information but by sending out this complete explanation immediately while the news is still "hot" you'll show your policyholders that you are really on the job to serve them.

The Insurance Buyers' Digest has four 6x7 inch pages. The back page is left blank in case you wish to imprint it or mimeograph your own message but it isn't necessary. The Digest folds to fit a small envelope so that it is easy to mail out. It is a handy, concise little publication and dur-

ing its first six months of publication it has been very popular with agents and their customers.

The Special War Damage Edition is devoted exclusively to that subject. The data is compiled by the editorial staff of The National Underwriter. However, the material is presented so that it gives the impression that you compiled it yourself.

Facts are presented in this special edition so the reader can get a clear picture of the situation. Readers are urged to get additional information from their insurance agents so that it ties in closely with your service.

It will pay you to order a liberal supply of these copies at once so that you can blanket your city with copies. Orders will be shipped promptly and we can ship yours by special delivery if you wish.

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NATIONAL UNDERWRITER

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The NATIONAL UNDERWRITER

June 18, 1942

CASUALTY AND SURETY SECTION

Page Nineteen

War Problems Mark Pennsylvania Days Observance

Jay N. Jamison Renamed President of the State Insurance Federation

PITTSBURGH — With "Insurance and the War" as its theme, a stimulating Pennsylvania Insurance Days program was presented by the Insurance Federation of Pennsylvania with the cooperation of other insurance organizations.

Jay N. Jamison, Reliance Life, Pittsburgh, was re-elected president. Vice-presidents are: John M. Thomas, National Union Fire, Pittsburgh; C. H. Bokman, New Amsterdam, Pittsburgh; Dodd Bryan, Indemnity of North America, Philadelphia; F. D. Buser, Fidelity Mutual, Philadelphia; S. J. Carr, Standard Accident, Philadelphia; W. B. Corey, Provident Industrial Life, Philadelphia; T. B. Donaldson, Philadelphia; W. A. Edgar, U. S. F. & G., Philadelphia; F. S. Kauffman, Travelers, Pittsburgh; F. A. Service, Protected Home Circle, Sharon; A. M. Waldron, Philadelphia; A. S. Wickham, Hartford Steam Boiler, Philadelphia; treasurer, John D. Pharaoh, 2nd, Philadelphia; secretary-manager, Homer W. Teamer, Philadelphia; assistant secretary, Mary H. Firen, Philadelphia; national councillor, Mr. Edgar; substitute national councillor, J. S. Campbell, Keystone Adjustment Corporation, Pittsburgh.

William H. Kingsley, Penn Mutual, Philadelphia, is executive committee chairman, and John A. Diemand, North America, Philadelphia, vice-chairman.

H. S. Bepler, general chairman, called the opening session to order and W. Kaye Estep, manager Allegheny division, Middle Department Rating Association and president Insurance Club of Pittsburgh, presided at the luncheon session. Congressman Ploeser of Missouri, St. Louis agent, spoke.

Outlines Institute Plans

Dr. H. J. Loman, insurance professor, University of Pennsylvania and dean of the American Institute for Property & Liability Underwriters, outlined the history and aims of the institute and cited benefits which he believes will be produced by the program of the institute.

E. E. Boon, senior industrial specialist in the production and contract distribution division of the War Production Board, congratulated the insurance men on their contribution to the war effort.

Prevention Work Effective

One of the contributions of the stock casualty and surety business to the national war effort, according to J. H. Harvey, managing director National Conservation Bureau of the Association of Casualty & Surety Executives, is the

(CONTINUED ON PAGE 26)

National A. & H. Card Announced

Program Completed for Association's Annual Meeting in Detroit

The completed program for the annual meeting of the National Association of Accident & Health Underwriters, to be held at the Hotel Statler, Detroit, June 29-30, has been announced by Roy J. Long, Great Northern Life, convention general chairman, and W. S. Faber, Detroit Insurance Agency, program chairman.

George L. Dyer, Jr., Columbian National Life, St. Louis, first vice-president of National association, will preside at the first convention session the morning of June 29. Mayor Jeffries of Detroit, who is general counsel of Macabees, will give the address of welcome, with response by Clyde E. Dalrymple, Preferred Accident, Milwaukee, president National association, followed by the president's annual address, "We Rolled up Our Sleeves—for You."

The award and presentation of the Ferguson trophy to the local association making the most outstanding record for the year also will be a feature of that session. The Indianapolis association is now the holder of the trophy, having received it at the annual meeting in Los Angeles last June.

T. Russ Hill, president Martin-Perry Corporation and Rexair, Inc., will speak at the luncheon.

Monday Afternoon Features

President Dalrymple will be in charge of the afternoon session. The addresses at that session include: "In Wartime—Production Counts," W. F. White, Royal, Globe and Eagle Indemnity, chairman Bureau of Personal Accident & Health Underwriters; "Accident & Health Insurance Today," W. G. Alpaugh, Inter-Ocean Casualty, president Health & Accident Underwriters Conference; "Federal Legislation—What's Ahead?" Harold R. Gordon, executive secretary H. & A. Conference, and "Our National Association," George L. Dyer, Jr. The Leading Producers Round Table will have its first meeting at 4 p.m.

President Dalrymple has written to all producers who are qualified for the Producers Round Table membership to attend the Detroit meeting, and is urging the companies to supply the association with names of their producers who are qualified.

An executive session of the National association will be held Monday evening at which reports of the executive secretary, treasurer and various committees will be presented, pending business disposed of, new officers elected and the date and place of next meeting selected.

Tuesday at 7:30 a.m. there will be a



Roy J. Long

New Army Rule Is Shock to Surety People

Surety executives were in session in New York all day Tuesday discussing the major problem presented by a ruling of the War Department greatly curtailing the use of surety bonds. The ruling has been made, it is understood, but has not yet been publicly announced and the surety people were canvassing the situation to determine whether anything might be accomplished by offering counter-proposals to the government.

One version of the ruling is that it leaves to the discretion of the officer in charge of each project whether to demand a surety bond. Theoretically that would deprive the surety companies of desirable business and leave them with the most speculative commitments.

joint breakfast of the regional directors committee, National association officers, National association committee chairmen and their associates or assistants.

The regular session Tuesday will be given over entirely to a sales congress, starting at 10 a.m., with Homer J. Bisch, National Casualty, Toledo, second vice-president of the National association, presiding. The morning program includes addresses by S. C. Carroll, vice-president Mutual Benefit Health & Accident, on "The Ideal Agent;" E. H. O'Connor, agency manager Provident Life & Accident, "Women as Prospects;" R. J. Costigan, Missouri manager Business Men's Assurance, Kansas City, "Meeting Objections," and Frank E. Mueller, Jr., superintendent of agents Continental Casualty.

C. A. Sholl, Globe Casualty, Columbus, third vice-president National association, will preside at the afternoon session and speakers will include George W. Carter, president Detroit Insurance Agency, and Frank W. Potter, field supervisor Aetna Casualty, on "Sales Fundamentals."

At the banquet Tuesday night, the new national officers will be installed. C. E. Waddell, Mutual Benefit Health & Accident, president of the Detroit Association of Accident & Health Underwriters, will preside. There will be a floor show, followed by dancing.

Other entertainment features include a reception and get-together Sunday at 5 p.m., a boat trip that night, a sightseeing and shopping trip for the women, in the afternoon, with a theater party that night, card party Tuesday afternoon and a social affair for the men Monday at 7:30 p.m. Arrangements will be made for those who wish to do so to play golf. R. H. MacKinnon, Massachusetts Bonding, is chairman of the entertainment committee.

To Add to Interstate Committee

NEW YORK—It will probably be several weeks before representatives of fire and casualty companies together with those from agents and brokers organizations are added to the committee on interstate rating of the National Association of Insurance Commissioners, as proposed at the Denver convention of that body.

High-Low Plan on Compulsory Basis Studied

Actuarial Committee of National Council Starts Investigation of Program

NEW YORK—The National Bureau of Casualty & Surety Underwriters submitted to the New York Compensation Rating Board its proposed new program for compulsory retrospective rating of risks producing a standard premium in excess of \$1,000 sooner than it had intended to do so. The program was submitted at the suggestion of Superintendent Pink of New York, in order to contribute to the discussion on the handling of interstate risks at the Denver convention of insurance commissioners.

On Thursday of the present week the actuarial committee of the National Council on Compensation Insurance will begin an exhaustive study of the proposed new rating program for compensation risks.

The plan that has been submitted in New York is intended by the National Bureau for nation-wide application. Its provisions were sketched briefly in THE NATIONAL UNDERWRITER last week.

In a memorandum to Henry D. Sayer, general manager of the Compensation Insurance Rating Board of New York, William Leslie, general manager of the bureau, expresses the belief that if the program is approved in New York and other rate regulated states on an interstate basis, the resulting effect on interstate risks will be to bring the final premium on an overall basis so close to the real requirements of the risk, taking both losses and expenses into account, as to make it unnecessary to apply any further judgment modification in non-rate regulated states.

Commission Gradation

Mr. Leslie stated that in talking to Mr. Pink, he explained that while the specific commission gradation in the plan had not been endorsed by the producers' organizations, nevertheless the companies felt that any less gradation in the allowances both for production costs and for administration and audit expense would not produce an answer to the interstate rating problem.

The program provides for the compulsory application of the principles of retrospective rating to all policies developing standard premiums in excess of \$1,000. It is contemplated that the plans provided for shall be available on an interstate basis. The total production cost allowance of 17.5 percent is retained on the first \$1,000 of standard premiums; on that portion of the standard premium in excess of \$1,000, the total production cost allowance is 7.5 percent. Unlike the present retrospective plan, the program contemplates that

(CONTINUED ON PAGE 27)



INFORMAL VIEWS OF THOSE ATTENDING INSURANCE COMMISSIONERS' CONVENTION IN DENVER:
Commissioner Blackall of Connecticut, Allen Brosmith, counsel of Travelers; Commissioner Perkins of Maine; Robert E. Hall, counsel of Aetna Casualty.

Insurance Lawyers Forming Program

The insurance law section of the American Bar Association is preparing its program for its annual meeting. The association will hold its annual convention in Detroit. The insurance section will have a council meeting Aug. 23; general sessions in the afternoon of Aug. 24 and 26; round tables, morning and afternoon of Aug. 25, and section dinner the evening of Aug. 25. Thomas Watters, Jr., of New York City is chairman of the publicity committee. The local program committee of Detroit is headed by Attorney Howell Van Auken. The president of the insurance section is C. F. Robinson of Portland, Me.

Conkling, Price & Webb Outing

At the annual golf outing Tuesday of the Conkling, Price & Webb agency of Chicago 56 played golf and about 100 were at the dinner. It was the most successful such gathering the agency has held. Lew H. Webb presided at the dinner ceremonies. W. T. Cline awarded the prizes in the production contest, Harry Brams being the life insurance leader, and Douglas Beach the A. & H. winner. L. H. Zonius awarded the golf prizes.

Favors Higher Ark. Bonds

LITTLE ROCK.—Arkansas circuit and county clerks should be required to make larger surety bonds, in the opinion of the state auditor's department, which will recommend to the 1943 legislature that the statutory minimum be increased to \$10,000. J. Bryan Sims, deputy comptroller, said the department became convinced of the need of a larger minimum when a shortage of \$36,000 was found in accounts of Joe A. Smith, former Poinsett county circuit clerk.

Pass N. J. Hernia Bill Over Veto

TRENTON, N. J.—A bill to "re-establish reasonable compensation" instead of \$150 maximum in hernia cases under the workmen's compensation act of New Jersey, which was passed by both the senate and assembly, but vetoed by Governor Edison, has been passed over the governor's veto.

W. S. Carter Assistant Secretary

William S. Carter, chief underwriter of the compensation and liability department of Travelers, has been named an assistant secretary of that department. He has been with Travelers since 1917 and in addition to this work at the home office has served at Chicago and New York.

Hartford Accident's Washington Office Head



JOHN KIDD

John Kidd, who has been named superintendent of Hartford Accident's government service department in the Washington branch office, was born in Washington, D. C. Following the world war he became associated with the Griffith Coal Corporation of Washington and later with Life of Virginia. He has been manager of the government service department of National Surety since 1935. This department gives regular service to concerns in all parts of the country, policyholders who are doing business with various departments of the federal government.

Claim Ring Conviction in Tenn.

CHATTANOOGA, TENN.—Floyd Phillips, of Birmingham, alleged member of a state accident claim ring, pleaded guilty here to a charge of conspiracy to defraud and was sentenced to a year and a day in the penitentiary but was placed on probation.

James C. Ficklin, representing the Association of Casualty & Surety Executives, who aided the prosecution, said 11 members of the ring, which has staged more than 50 spurious accidents in 10 southeastern states, have been convicted and 16 more cases are to be disposed of.

Hot Fight Over N. J. Bill

The bill in the New Jersey legislature to permit mutual companies to write fidelity, surety and burglary business, which was generally thought to have been sidetracked, has now developed

Accountants, Statisticians Hold Valuable Parley

Two committee reports of especial interest were submitted at the meeting of the Association of Casualty & Surety Accountants & Statisticians at Glens Falls, N. Y., one dealing with "Methods of Reserving Premium Refunds on Retrospective Rated Risks," and the other suggesting means for saving labor and material during the war period. The special forms of indemnity written for the federal government involving millions of dollars in premiums has made necessary the preparation of reserves in such manner as will enable easy adjustment of liabilities at the termination of the policy period.

Four methods for tabulating the data, any one of which will produce the desired objective, were prepared and will be sent all bureau companies for their consideration.

The suggestions presented for the conservation of essential company records, represented the combined contribution of 25 companies. It developed that some carriers had already made photostatic copies of certain of their records, and placed them in vaults in inland cities.

The visitors were entertained by casualty and surety companies of New York and New Jersey, the immediate arrangements being in the hands of officials of Glens Falls and Glens Falls Indemnity.

The next meeting will be held in New York in September.

Big Housing Project Bonds

LOS ANGELES—Two sizable bonds on governmental construction projects have been written by the Los Angeles branch office of U. S. Fidelity & Guaranty, one for a \$2,500,000 defense housing project awarded the Baruch Corporation of Los Angeles and others for a \$1,000,000 defense housing project awarded the Zoss Construction Co. of Los Angeles.

signs of life. The mutual companies apparently have been busy getting policyholders to write to the legislators in favor of such a bill. The measure passed the senate and is now before the corporation committee of the lower house where a hot fight appears to be in the making.

N. J. Dentist Deal Progresses

NEWARK—Herbert L. Brooks, chairman of the dental insurance committee of the New Jersey Association of Insurance Agents, reports that the dentists' liability insurance plan in cooperation with the New Jersey Dental Society continues to progress.

Austermann in Charge for Citizens at Chicago

L. A. Austermann has been appointed associate manager of Citizens Casualty and this week was installed in charge of the Chicago branch office. He was the recipient of many floral offerings of friends and associates.

He has been in the casualty business at Chicago for 17 years, starting with the old New Jersey Fidelity & Plate Glass. He became the plate glass department manager in Chicago.

When the New Jersey was taken over by the Firemen's group, about 10 years ago, Mr. Austermann went with the H. S. Slipner & Co. agency in Chicago, handling plate glass and general casualty underwriting. He has been connected with the agency until going with Citizens.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business June 15, 1942.

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	113	117
Aetna Fire	10	1.80*	47	49
Aetna Life	10	1.40*	24 1/2	26
Amer. Alliance. 10		1.20*	19	20 1/2
Amer. Equitable 5	1.00		16 1/2	18 1/2
Amer. Home.... 10		6	8	
Amer. (N. J.)... 2.50	.60*	12	13	
Amer. Surety... 25	2.50	47 1/2	49 1/2	
Automobile.... 10	1.40*	31	33	
Boston100	21.00	500	525	
Camden Fire.... 5	1.00	18	19	
Carolina..... 10	1.40*	24	26	
Conti. Cas.... 5	1.50*	28 1/2	30	
Conti. N. Y.... 2.50	2.20*	35	37	
Fidelity-Phen... 2.50	2.20*	35	37	
Fire Assn.... 10	2.50*	49	52	
Firemen's (N. J.) 5	.40	9	10	
Franklin Fire... 5	1.40*	24	25 1/2	
Gen. Reinsur... 5	2.00	38	40	
Georgia Home... 10	1.20*	21	23	
Glens Falls 5	1.60	34	36	
Globe & Repub. 5	.50	8 1/4	9 1/4	
Gt. Amer. Fire... 5	1.20*	24	25 1/2	
Gt. Amer. Ind... 2	.20	9 1/4	10 1/4	
Hanover Fire... 10	1.20	22	23 1/2	
Hartford Fire... 10	2.50*	85	88	
Home (N. Y.)... 5	1.60*	26	27 1/2	
Ins. Co. of N. A. 10	3.00*	66	68	
Maryland Cas.... 1		1 1/4	2 1/4	
Mass. Bonding... 12.50	3.50	54 1/2	56 1/2	
Mer. (N. Y.) Com. 5	2.00*	41	44	
Natl. Cas.... 10	1.00	20	22	
Natl. Fire 10	2.00	53 1/2	55 1/2	
Natl. Liberty... 2	.40	6 1/2	7 1/4	
Natl. Un. Fire... 20	5.00*	140	146	
New Amst. Cas. 2	.95c	19	20	
New Hampshire 10	1.80*	40	42	
Northern (N. Y.) 12.50	5.00*	78	81	
North River... 2.50	1.00	20	21	
Phoenix, Conn. 10	3.00*	77	80	
Preferred Acct. 5	1.00	13 1/2	14 1/2	
Prov. Wash.... 10	1.40*	27 1/2	29 1/2	
St. Paul F. & M. 62.50	10.00*	230	240	
Security, Conn. 10	1.40	34 1/2	36 1/2	
Sprgld. F. & M. 25	4.75*	103	106	
Standard Acct. 10	2.50	48	50	
Travelers..... 100	16.00	370	385	
U. S. Fire..... 4	2.00	42 1/2	44 1/2	
U. S. F. & G.... 2	1.25*	24	25	

*Includes extras.

Meeting Demands of War Time

J. Dewey Dorsett Presents Facts Showing What Casualty and Surety Companies Have Done

J. Dewey Dorsett of New York City, manager of the casualty department of the Association of Casualty & Surety Executives, spoke at the meeting of the South Carolina Association of Insurance Agents explaining how casualty insurance and suretyship is meeting war needs.

In July, 1940, the executive committee of the Association of Casualty & Surety Executives adopted a resolution placing at the disposal of the government the complete service of casualty and surety companies. Since that time the companies have entered every field where their experience and talent might be expected to further the war effort.

The speaker said that at no other period in the history of capital stock insurance and the American agency system has the need been greater for a united front with complete harmony as the watchword. He asserted that he had no fear for the future of insurance and the American private enterprise system in the post war period provided private enterprise continues to do the magnificent job it is now doing in this war effort.

Mr. Dorsett mentioned a few of the outstanding things that the insurance industry is doing in meeting the war needs. They are furnishing a ready market for every kind of casualty insurance and suretyship required by the government and those who contract with the government on terms and conditions satisfactory to the government. The comprehensive rating plan for War department insurance, he said, involved radical departures from the customary practices of companies and agents. It recognized the agent's service. The government said it should be used as a standard basis for the purchase of insurance in connection with fixed fee contracts. He said that the casualty companies are working with the government under this plan to the satisfaction of the government.

Mr. Dorsett said that one of the most destructive attacks made on this nation last year was not made by an enemy. It left 101,500 dead, 350,000 permanently disabled and 9,000,000 lesser casualties behind it. All this destruction was caused by accidents. No one can doubt that safety campaigns on the home front are an essential part of the defense program. He said that these figures constitute a challenge calling for the best effort of the agents and companies in cooperation with policyholders. There is no business that has a better chance or a greater obligation to preach the gospel of accident prevention, he asserted, than insurance.

To facilitate the government's share-your-car campaign, 82 stock and mutual

casualty companies have voluntarily modified their underwriting rules so that the owners of private automobiles may now carry passengers for a charge without increasing their insurance premium or voiding the policy. Attention is called to the fact that this action does not permit private automobile owners to use their cars as public or livery conveyances.

In a move of far reaching importance to automobile owners the companies have released an agreement by which they undertake for no additional premium and without endorsement to construe their policies now in force and hereafter written as covering certain emergency uses of automobiles.

Text of Report on Salary Listing

The exact wording of the paragraphs in the report of the blanks committee pertaining to the reporting of salaries in annual statement blanks that was adopted by the National Association of Insurance Commissioners in Denver is:

ITEM 4—Stock fire, mutual fire, miscellaneous, reciprocal and title and mortgage blanks only.

Add new Schedule L with columns corresponding to Schedule G of the life blank but with general heading as follows:

Showing all salaries, compensation, and emoluments received by officers and directors during the current year, including amounts received by them under management or agency contracts, and where the same amounted to more than \$5,000 by any person, firm or corporation.

REASON: To provide new salary schedule in accordance with instructions from the executive committee. The proposal for an interrogatory to elicit information and particulars as regards management or agency contracts with officers or directors was deferred until 1943.

The wording was changed at Denver, because some interests had contended that the original phraseology would have required reporting commissions paid to agents in excess of \$5,000, although that was never the intention of the blanks committee. Also the report makes clear that the report is to be made for officers and directors only and not for other employees receiving \$5,000 or more.

Some feel that for the first year at least when this salary information is available a good many will look up the records and satisfy their curiosity and

Standard Accident's Agency Classification

Standard Accident has completed a count of its representatives who have been representing it for ten years or longer. The list follows: 10 to 14 years, 1,403 agents; 15 to 19, 377; 20 to 24, 67; 25 to 29, 59; 30 to 34, 20; 35 to 39, 20; 40 to 44, 14; 45 to 49, 11; 50 to 54, 2; 55 to 58, 4.

Of the 1,977 agents, 130 have been with the company 25 years or more.

Assigned Risk Plan Is Set Up in California

SAN FRANCISCO—All companies having signed the proposal and procedure agreement, California now has an assigned risk plan for automobile insurance. It becomes effective July 1 and will be administered through the Pacific Coast office of the Association of Casualty & Surety Executives under the general supervision of Reginald Moss, Pacific Coast manager.

B. G. Wills, vice-president of the Fireman's Fund group, has been elected chairman of the governing committee and R. W. Chandler, manager Lumbermen's Mutual Casualty and American Motorists, is vice-chairman. Other members of the committee, which also acted as the "drafting committee," are Don R. Sessions, American Automobile; George Chalmers, Inter-Insurance Exchange of California; State Automobile Association, and R. C. Read, State Farm Mutual Automobile.

The plan will be distributed through the National Bureau of Casualty & Surety Underwriters and companies, not members of that bureau, may purchase quantity lots for their agents and brokers.

The plan has been changed to eliminate the provision calling for letters to three insurers requesting voluntary coverage but the clause providing that three rejection letters from three companies be attached to the application remains in force.

there may be some unpleasantness engendered but that after that inclusion of salary figures will be taken as a matter of course and the exhibit will not be largely consulted to satisfy idle curiosity. The salary listings have been given in the life blanks for a good many years and except for some unpleasant publicity during the depression days very little attention has been paid to them.

In company groups, it will presumably be possible to spread salaries among the various constituent companies, so as to avoid reporting some salaries.

Adjusters Give Close Study to Current Problems

Deal with Many Subjects, Elect Curley at St. Louis Convention

NEW OFFICERS ELECTED

President—James N. Curley, Philadelphia.

Executive vice-president—N. J. Tierney, Toplis & Harding, Chicago.

Vice-president in charge of casualty—L. M. Kizer, Waco, Tex.

Vice-president in charge of fire—W. H. Moore, Wichita, Kan.

Vice-president in charge of miscellaneous lines—Thomas J. English, St. Louis.

Executive secretary-treasurer—Lynn A. Horton, Oklahoma City.

Executive committee—John C. Ryan, Utica, N. Y.; I. T. Swain, Indianapolis; Julian Calhoun, Spartanburg, S. C.; C. B. Lyle, Phoenix; E. H. Brockius, Los Angeles.

By W. A. SCANLON

ST. LOUIS—At the annual convention of the National Association Independent Insurance Adjusters here last week members gave serious consideration to the many problems that face them during war time. The many able speakers on the program were closely attended.

Although officers felt that no convention could be planned for 1943, members are anxious to have one if possible, and the matter was left up to the executive committee. If war conditions make the meeting impossible, plans will be put into effect to carry on association work in the interim.

Ryan Makes Annual Report

In making his annual report as retiring president, John C. Ryan, Utica, N. Y., said the association is in good shape financially and now has 137 members. Committees in charge of the group's sections have been active in working out a plan to make uniform the various forms used by member adjusters in their work, and considerable progress has been made, he said.

While an adjuster represents the company, he also must see that fairness and justice are done to both parties to the



AT THE MEETING OF INSURANCE COMMISSIONERS IN DENVER:
J. A. O. Preus, vice-president W. A. Alexander & Co., Chicago; Lew H. Webb,



Conkling, Price & Webb, Chicago; Commissioner Jenifer of Idaho; C. W. Hobbs, National Council on Compensation Insurance.

contract, Thomas Kingsley, manager of Travelers at St. Louis, said in his talk, "Where Do You Stand?" The business of fire insurance is based on faith, faith for which the policyholder pays money and gets an ounce of good bond paper with a lot of printing, all but a few lines of which he never reads.

Prompt Adjustments Essential

Fire losses must be attended to promptly. The longer a customer looks at the mess caused by fire, the worse he feels. A house with a kitchen gone can prepare no meals, and there may be a baby or a sick person in the home. Quick action builds good will for all in the business, Mr. Kingsley asserted.

There is much replacement of old and familiar materials by new ones today, and the adjuster should know the salvage possibilities, he said. He daily comes in contact with new hazards caused by the constant changes that are taking place under the impact of war and will continue to take place after the war is over. It is part of the adjuster's duty to help the underwriter determine the extent those hazards change the risk, in what respect they increase the exposure or lessen the risk and thus entitle it to a different charge in the rate.

The adjuster stands in a position of controlling the destiny of the business of insurance, he concluded.

Osborn Discusses Cargo Losses

Present conditions with respect to cargo losses are trying to everyone, due to shortage of personnel, heavy traffic, new rules and regulations, T. L. Osborn, Jr., assistant secretary National Retailers Mutual, Chicago, said in his talk.

However, insured, agent, company and adjuster should accept these current problems as a part of the game and consider each new headache as their contribution to the war effort.

It is the nature of cargo losses that they must be handled promptly and properly unless the loss ratio is to get completely out of hand, Mr. Osborn said. Speed is necessary in salvaging perishables or in connection with other cargo where the elements may cause further serious loss, as in the case of rain wetting labels on canned goods.

The war has brought about temporary elimination of state barriers so that wider operations will result, bringing about the use of older equipment, etc., he said. Adjusters can do much to keep motor truck cargo writings on an even keel during these troublesome times. They can check the physical housekeeping in terminals; learn the age of trucks; find out if the drivers are green, and keep alert to the "general atmosphere" of risks.

Speaks on War Damage Cover

In his talk John J. O'Toole, vice-president F. D. Hirschberg & Co. agency of St. Louis, expressed regret that insurers following Pearl Harbor did not come out with a plan to underwrite the war damage hazard. When they didn't, the government went into the insurance business.

Some people feel that risks located along the coasts are much more likely to be bombed than St. Louis, for instance, which is in the interior. This is a false feeling of security similar to that prevailing at Pearl Harbor. St. Louis and many other midwest cities are producing a good deal of arms equipment and supplies and are only a few hours flying time from the Gulf of Mexico.

William H. Moore, Central Kansas Adjusting Company, Wichita, vice-president in charge of fire and allied lines, presided over that section of the convention. He reported that association has been successful the past year in securing new fire members.

Col. S. B. Philpot, army veteran and former commandant at Jefferson Barracks, discussed the war and America's part in it in his talk, "We're on the Spot."

John W. Gainer, Austin, Tex., vice-president in charge of casualty, was unable to attend because of illness and



CAMERA STUDIES BY H. H. FULLER AT COMMISSIONERS' CONVENTION IN DENVER:

Above—C. W. Fairchild, general manager Association of Casualty & Surety Executives, Commissioner Kavanagh of Colorado.

Below—Thomas Watters and Mrs. Watters of New York.

L. M. Kizer, of Waco, Tex., substituted as presiding officer for that part of the meeting. R. T. Gustafson of Omaha was in charge of the miscellaneous section's meeting.

Discusses Theory of Comprehensive

W. F. Somerville, assistant secretary of St. Paul-Mercury Indemnity, in discussing comprehensive liability, pointed out that as various individual liability coverages first developed, it was felt that each should be separate and exclusive of all others. The theory was that hazards covered by this new type of insurance should not all be averaged in the premiums of all policyholders because all of them would not have such hazards. For example, the cost of elevator insurance should be paid by those with elevators and not be spread among all public liability policyholders, some of whom did not have elevators. In this way each policyholder could select the type of coverage which protected him against the hazards which existed in his business which he was afraid to leave unprotected, and if he had no fear of teams, products liability, etc., he would leave these uninsured.

Buyer Controls Cost

The privilege of selection enables the insurance buyer to control the cost of his insurance. This, however, works decidedly to the disadvantage of the insurer because each selection of coverage by assured is made only if he has reason to expect a loss, and the losses used to make rates have been losses from insured hazards rather than from all hazards. As only those hazards that are expected to have losses have, as a rule, been insured, the premiums would be lower if similar hazards of all risks had been included in making the rates. This selection against the company actually tends to increase the cost.

Selection by assured also has its dangers to the welfare of his business since frequently the unexpected happens. In

making a survey recently, Mr. Somerville found that the drivers employed by assured have been fully trained in administering first aid. Assured had general public liability and automobile policies, but these afforded no coverage in case of malpractice claims, which would have been properly protected under comprehensive form. There is also the unknown hazard, which is covered by comprehensive. Someone is always thinking of a new way of presenting a claim. Among recent cases Mr. Somerville recalled were: Noise from a factory caused a nervous complaint; foul and abusive language caused an inferiority complex, and smoke from a factory caused illness.

Legal Aspects of Truck Insurance

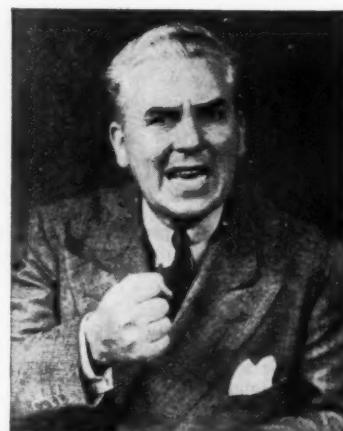
Approximately 700,000 trucks are transporting merchandise for hire, and their total earned income last year was in excess of \$1,000,000,000, John F. Hynes, vice-president and secretary of Employers Mutual Casualty, stated.

It is now generally recognized that there is a vicarious liability on the part of the motor carrier operating under public permit for the acts of an independent contractor, he said. Where two or more carriers are concerned in a loss the weight of authority is that both insurers are involved if the motor carrier is covered by one company and the rented car or independent operator by a second insurer.

It is helpful to the insurer if the type of merchandise in the truck at time of loss is recorded. This may be generally indicative of the common carrier relationship. In many instances the trucker is a contract carrier on the outward journey then is engaged by common carrier on the return, and this will increase during the war when trucks are prohibited from traveling any distance without a load.

War's Effect on Compensation

In considering the liability of the employer for injuries resulting from sabotage and bombing efforts, work-



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June 18, 1942

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Although destruction of life and property may be the object of such efforts on the part of the enemy, it will undoubtedly be "an accident" that a particular employee is injured, he pointed out.

Summarizing from the several English cases and the few American cases in point, Mr. Cunliff said that if the nature of his employment subjects an employee to greater hazards from bombing or sabotage efforts, than the hazards borne by the average person, his case should be compensable; otherwise, it should not. It has become pretty well accepted that a salesman is covered by the compensation laws every moment of the day or night.

There are certain questions that will arise in connection with injuries as a result of bombing that will call for the aid of a new type of expert, a military expert who will testify as to whether, in his opinion, a bomb was intended for a specific objective. If so, and the bomb overshoots its mark, the injuries caused by the bomb probably would be compensable. An employee working near a munitions plant, or some other objective of a bombing raid, is subjected to a greater hazard of bombing than people in the general community. If the evidence shows that the bombing expedition is indiscriminate without a particular objective, then Mr. Cunliff believes compensation should be denied. This reasoning would apply in case a munitions plant or other arms factory itself were hit by a bomb dropped in a general raid.

Big Future for Aviation

E. L. Stephenson, manager at Chicago for Associated Aviation Underwriters, gave a stirring picture of the future of aviation insurance. He urged adjusters to become familiar with this type of loss because it will offset to some extent the decline in automobile adjusting business. Aviation insurance losses are simpler than auto losses, he said. The claims are easy to adjust, and the adjusters' chances of getting the business are good.

L. V. Ecklund of Hartford Accident, Chicago, discussed forgery and fidelity bonds from the claim man's viewpoint, illustrating his points with actual cases. These losses, he said, are much more difficult to handle than casualty claims. They demand more tact and an even closer understanding of contract terms.

Inland Marine for Adjusters

Adjusters should be vitally interested in inland marine coverage, S. L. Bodman, Marine Office of America, St. Louis, said in his discussion of that subject. The national inland marine premium volume written by stock fire companies in 1941 was \$62,339,804, or \$1 of inland marine to every \$8.50 of fire premiums, excluding premiums still going to London as reinsurance, etc., which do not show in U. S. company figures.

This growth is the result of transportation development and the higher standard of living with its furs, jewelry, fine arts, travel, yachts, greater use of laundries and cleaners, etc. Mr. Bodman predicted that the business will continue to grow reasonably. Volume should increase roughly 10 percent a year for the next two or three years.

CONVENTION NOTES

Ross Whitney of Whitney & Miller, Chicago, introduced two of the speakers, E. L. Stephenson, manager of the Associated Aviation Underwriters of Chicago, and L. V. Ecklund, Hartford Accident, Chicago.

The association has added 27 new members the past year.

H. H. Schoepp, claims attorney of St. Paul-Mercury Indemnity, spoke briefly at the convention. He said the work of independent adjusters has been very satisfactory, and his company expects to

make more use of them due to war conditions.

C. E. DeWitt of Dallas was the biggest man at the convention. Mr. DeWitt, six feet three inches tall, weighs 295 pounds.

Texas was well represented, having the largest delegation from any one state.

The ladies present were entertained at a luncheon, by shows, a tour of the city and a trip to the municipal opera.

The registration desk was in charge of Miss Dorothy Griffiths, secretary to Thomas J. English.

There was a men's dinner the first evening, a dinner dance the second night,

and everyone present attended the municipal opera the third night.

Thomas J. English, St. Louis adjuster, who was general chairman of the convention, did an excellent job and received acclaim for it on every hand.

H. C. Seitz, Oklahoma City, was one of the new members introduced. He was a field man for years before getting into the adjusting business.

Joseph E. Fennell, Sioux City, Ia., adjuster, was being congratulated on the birth of a baby girl, Jeane.

One visitor was Henry A. Platz, vice-president in charge of claims of Wolverine, Lansing, Mich.

Commissioner Thompson of Oregon

was a visitor. He was en route from the commissioners' convention in Denver to Columbus, O.

Mrs. Joyce Lindsey, assistant secretary of the association, Oklahoma City, did a fine job as assistant to Lynn A. Horton, executive secretary-treasurer.

Messinger Wins N. Y. Society Prize

C. F. Messinger, Fidelity & Deposit, won the \$25 first prize offered by the Insurance Society of New York for the best average among students taking its agents and brokers course.

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ACCIDENT AND HEALTH

Occidental, Cal., Brings Out Full Coverage Form

LOS ANGELES—Occidental Life of California has brought out an all coverage policy combining life and accident and health. The primary purpose is an overall reduction in cost and to provide against the hazards of death, disability, business reverses and unemployment, and age.

Any life plan can be used and any one of three specially-adapted accident or accident and health plans, with the provision that accident and health coverage can remain in force only as long as the life coverage, unless terminated earlier by stipulated age limits. The minimum life coverage is \$1,000.

Age limits are 16-55, except in especially hazardous occupations. Accident benefits are renewable to age 70 for men, 65 for women; sickness benefits renewable to age 65 for men, 60 for women.

Premium waiver and double indemnity can be attached. Accidental death benefits are attached to the life portion of the plan, which makes them non-cancellable and incontestable. Five units of accidental death may be issued with each unit of natural death up to \$10,000, after which the customary one for one ratio of double indemnity is resumed. There is no exclusion for diseases not common to both sexes.

The three basic accident or accident and health plans which can be used are: accident only benefits, with benefits from first day for life; accident and sickness, sickness benefits payable from eighth day, non-house-confining, full benefits payable for 12 months in any one period of sickness; accident and sickness benefits—first-day cover for sickness with accident coverage from first day for life, and paying 12 months for confining sickness, three months for non-confining. Hospital, nurse and surgical fee schedules are not limited by amount of monthly income purchased.

J. C. Staton General Agent of Monarch Life

THE NATIONAL UNDERWRITER regrets having carried an incorrect statement as to the new position that has been assumed by J. C. Staton of Los Angeles. He has been appointed general agent for southern California for Monarch Life. Mr. Staton has been in the life and accident and health field about 20 years. Until 1939 he was in the east. In that year he went to Los Angeles to open an accident and health office for General Accident and this agency later was taken over by W. E. Lebby agency, state manager of Massachusetts Indemnity.

Decide on Division of Premium in War Policy

The permanent committee of the Health & Accident Underwriters Conference that is working out the details in connection with the civilian war hazard policy has decided that the issuing company shall retain \$2 of the \$5 premium to cover acquisition and administrative expense and \$3 shall be turned into the pool of participating companies. Each company will pay whatever agency commission it desires to pay.

A meeting of the permanent committee was held in Chicago this week with every member in attendance and it is expected that some definite announcements in regard to the progress so far in getting the plan into operation will be made within the next week.

The Kansas City Association of Accident & Health Underwriters held its annual outing Friday, with Carl Damon as chairman.

Vanderbrouk in Baltimore Reviews Present Problems

BALTIMORE—Frank S. Vanderbrouk, executive vice-president of Monarch Life, addressed the Baltimore Association of Accident & Health Underwriters on "Some Current Problems in the Accident and Health Field," including prospecting, personnel, radical changes encountered by the underwriting departments and finally the problem of clarifying intelligently to policyholders and prospects the necessity for war clauses.

Mr. Vanderbrouk declared that any accident and health man who will analyze the occupational shifts now going on, with consequent understanding of where the money is, should do at least twice the business that he did last year. In facing the personnel problem the wise manager will see that a diversified age group in his agency, balanced by older men, will be planned as an anchor in preserving agency stability.

On the war clause question, he said it must be emphasized to policyholders that disability insurance premiums are not based on the consideration of a war hazard. He said his company is interpreting the war clause as affording protection to "all hazards where a direct act of war is not concerned within the territorial limits of the policy and subject to the aviation clause." This has been effective in covering all cases with general satisfaction. Borderline cases may be expected, but there is confidence that they will be kept to a minimum.

Organize in Rochester

Rochester, N. Y., accident and health men have reorganized the Rochester Accident & Health Underwriters, to be affiliated with the National Association of Accident & Health Underwriters. Heading the temporary organization is Arthur Holtzman, Mutual Benefit Health & Accident, and R. E. Lewis is secretary-treasurer. A. E. Slayton, Massachusetts Bonding; A. J. Bamann, North American Accident, and J. L. Wright, Connecticut General Life, were elected on the executive committee and they will also act as the nominating committee. The first formal meeting will be held June 29.

Milwaukee-Chicago Field Day

A sizable contingent from the Chicago Accident & Health Association went to Milwaukee Tuesday to participate in the Milwaukee group's annual field day at the Tuckaway Country Club, thus reciprocating the Milwaukee association's participation in the Chicago field day last month.

Golf and other sports during the afternoon were followed by a dinner and entertainment at the club house in the evening. A. A. Veitenhaus was general chairman; W. A. Kempf, golf chairman; R. L. Paddock, prizes, and Leo Packard, entertainment.

Elect in Newark Thursday

The annual meeting of the Accident & Health Underwriters Association of Newark is being held June 18. A dinner will precede the election and business meeting.

Salt Lake City Club Elects

D. C. Stephens, Security Life & Accident, was elected president of the Salt Lake Accident & Health Club at its annual meeting. Retiring president is W. M. Jones, Business Men's Assurance. R. K. Grantier, Massachusetts Protective, was chosen vice-president, and C. H. Tinsley, American Service Bureau, secretary-treasurer. An executive committee and standing committees will be named by the three elected officers at the first meeting following the summer recess.

Made Vice-president of Monarch Life

Roswell C. Laub, who has just been made vice-president and agency manager of Monarch Life, has for the past 11 years been home office general agent of that company in Springfield, Mass. In that position he has, of course, been very closely associated with the executives of the company. After two years of teaching and 14 years with a large manufacturing firm, Mr. Laub joined Monarch Life in 1928 as general agent in Cleveland. He was transferred to Springfield three years later.



R. C. Laub

COMPENSATION

Mass. State Fund Petition Ruled Out

BOSTON—The Massachusetts State Federation of Labor's initiative petition for a monopolistic state fund for workers' compensation has been ruled off the November ballot by the state ballot law commission, which sustained charges of forgery and fraud in the signatures of the 24,000 who signed the petitions.

The commission held that the petition has not been signed by a sufficient number of qualified voters, 20,000, in view of the commission's finding that signatures "were forged or placed thereon by fraud."

The protests against the initiative petition were brought by four insurance company executives in behalf of the insurance companies, whose attorney, Charles B. Rugg, protested approximately 10,000 of the 24,190 signatures on the petition.

It is believed labor will appeal the decision of the commission to the supreme court.

Exposure to Silicosis Hazard Doesn't Necessarily Mean Liability, Ill. Court Finds

The Illinois supreme court has handed down a decision holding that exposure to the hazard of silicosis does not necessarily mean liability.

The applicant had begun the occupation of a core maker in foundries about 20 years ago. From about 1921 to 1939 he was in other work. On Dec. 27, 1939, he commenced to work for the first time for Ferguson & Lange Foundries, as a core maker and worked for the company until Feb. 26, 1940, when he was laid off. Claim was then made against the company. He had worked for the company for 61 days and the court held that the exposure to the hazards of silicosis in the employment of the company was deemed conclusive.

The court, however, held that proof of exposure alone is not sufficient to sustain an award of compensation and further stated:

Findings of the Court

"In short, even where exposure is conclusively presumed, as here, an award of compensation is without a legitimate basis where the evidence demonstrates it was impossible for the disease for which compensation is sought to have had its origin in or to have been proximately caused by the employment where the exposure occurred. Considering all the medical testimony in the instant case, and particularly that of Dr. Steinberg to the effect that the disease of silicosis is definitely progressive and Dr. Weissman's opinion that it would take from six months to three years for the condition to have developed to the stage claimed to be present in Lavell, as shown by the first x-ray, which was taken in February, 1940, only two months after he began his employment with defendant in error, there is no showing in the evidence from which it can be reasonably con-

Loyal Protective Buys Building

Loyal Protective Life has purchased the building at 19 Deerfield street, Boston, where it has had its home office for the last three years. At the time when it moved to that building it secured an option on the entire property, which has now been exercised.

Louis Conn. General Leader

Vern S. Louis of Akron, O., was the national leader in the anniversary accident sales campaign conducted by Connecticut General Life.

A field meeting of the Shelby Mutual Plate Glass & Casualty was held in Shelby, O., June 15-17. The company recently completed a series of district agency meetings.

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cluded that Lavell was afflicted with any disease fairly traceable to the hazards of his employment with defendant in error, or that such hazards are fairly traceable as the proximate cause of his condition. No opinion has been expressed in the medical testimony giving any indication when the condition commenced or that it could have emanated from his employment with defendant in error. The tuberculosis lesion noticeable in the x-rays had shown no life prior to the time of the hearing, and, as stated by Dr. Steinberg, it "may start to progress three or five years from now, and it may start tomorrow. It may not." Construing the evidence most favorably to plaintiff in error, it is perfectly plain that the affliction of which he complains, whether non-compensable such as tuberculosis, (Stewart Warner Corp. v. Industrial Com., 376 Ill. 141,) or otherwise, neither had its inception in nor is fairly traceable to the hazards of his employment during the 61 days' exposure as an employee of defendant in error. It follows necessarily that the award of the arbitrator and decision of the industrial commission in favor of plaintiff in error were against the manifest weight of the evidence, and that the circuit court did not err in setting aside the decision of the commission."

The applicant was represented by Bowe & Bowe and the company was represented by Angerstein & Angerstein.

Drop N. J. Defense Classification

NEWARK—A. R. Lawrence, chairman of the Compensation & Inspection Bureau of New Jersey, has notified all member companies that at the suggestion of federal authorities classifications and rating bulletins have been discontinued as respects "national defense projects." The series will continue, as heretofore, in respect of projects in all other categories.

The bureau will continue to initiate investigations and make analysis of

such defense projects as do not lend themselves to direct, simple classification and rating under the general procedure of the manual.

Assess Governmental Self-Insurers

TALLAHASSEE, FLA.—Governmental agencies operating as self-insurers under the Florida Workmen's Compensation law must pay an assessment for administration of the law the same as private employers. Attorney-general Watson holds in an opinion to W. E. Rountree, director of the compensation division. Heretofore cities, counties and other political subdivisions which set up their own compensation funds have been exempt from the assessment.

Effect of Florida Reduction

TALLAHASSEE, FLA.—The recent reduction in compensation rates, averaging 10.8 percent of premiums, was a much deeper cut than the 5.1 percent proposed by the National Council. The big fruit packing industry gets a cut from 86 to 77 on each \$100 of payroll, auto accessories and service stations drop from \$1.40 to \$1.30, bottling from \$1.45 to \$1.35, pulp manufacturers from \$1.96 to \$1.53, newspaper publishing from 47 to 41 cents.

ASSOCIATIONS

Hold N. J. Outing Despite Rain

NEWARK—In spite of a downpour of rain, the annual outing of the Casualty Underwriters Association of New Jersey was carried out as scheduled. In the evening, which was bright and clear, there was a banquet and a floor show.

Among the winners in the golf tournament were Arthur Koller, U. S. F. & G.; J. H. Nolan, Aetna Casualty; Ernest Ehlers, Travelers; James East-

mead, Hartford Accident; William Nuttle, F. & D.; John O'Hea, National Surety; Richard Ross, Fireman's Fund, and Alexander Frackenpohl, Newark agent.

Prominent guests at the banquet included William Dearden, deputy motor commissioner of New Jersey; Alfred Christie, president New Jersey Association of Insurance Agents; Arthur Zimmerman, president Essex County Insurance Agents Association; Howard C. Lawrence, president, Newark C.L.U. chapter.

Judge Addresses L. A. Adjusters

LOS ANGELES—Superior Court Judge Kauffman spoke at a meeting here of the Casualty Insurance Adjusters Association on "Presentation of Evidence in Personal Accident Cases." He stressed the importance of large diagrams of the accident so that they easily could be read by a jury, and that photographs should show all the angles of the scene of the accident, not only the ones favorable to the litigant offering them in evidence.

McComas Tennessee President

NASHVILLE, TENN.—W. G. McComas, Fidelity & Casualty, was elected president of the Casualty & Surety Association of Tennessee at its first annual meeting here. He succeeds Ed Stout, Hartford Accident, Wilson Green, Travelers, is vice-president and Charles C. Diehl, American Casualty, secretary-treasurer.

A luncheon and golf match will be held at the Richland Golf Club July 13.

New Officers at Youngstown

About 50 members of the Youngstown (O.) Claims Association attended the annual golf party and banquet at which James J. Barrett, president, introduced the new officers, Royal Pfahler, John Payne, Thomas Stewart, J. W. Giltner and James C. Mann.

COMPANIES

Virginia Surety Seeks to Move to Ohio

Hearing has been scheduled for June 25 on the application of Virginia Surety of Roanoke to move all or substantially all of its property and its executive office from Virginia to Ohio. For the past two or three years Virginia Surety has been owned by Ohio interests and the actual operations have been conducted from Toledo.

Report on Credit Union Insurer

Credit Union Inter-Insurance Exchange of Springfield, Ill., as of Dec. 31, 1941, had assets of \$40,492 and surplus \$30,648, according to the report of an examination conducted by the Illinois department. Insurance Director Jones states that the statutory deposit is deficient in the sum of \$1,800, because of payments made upon mortgage loans on deposit. The attorney-in-fact did not notify the department of such payments and immediate steps must be taken to restore the deposits. Mr. Jones also states that the books and records of the Exchange have not been maintained in accordance with the insurance code and this situation must be corrected. The attorney-in-fact is the C. U. Service Corporation which retains 25 percent of the premiums.

The purpose of the organization is to provide automobile insurance for credit union members and their families and to promote the welfare of the credit union movement. J. R. Cummins is president, L. J. Lohr and H. O. Perlee, vice-presidents; C. C. Hall is secretary and L. W. Nimmo is treasurer.

Net premiums written during 1941 were \$17,412, net losses paid \$6,777. Total income was \$43,859 and disbursements \$22,892.

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CHANGES

P. H. Hawes Resigns to Go with Speed Warner Agency

KANSAS CITY—P. H. Hawes, director of agencies of Central Surety, has resigned to become vice-president of



P. H. HAWES

Speed Warner, Inc., large Kansas City agency.

Mr. Hawes was with Central Surety for more than 10 years and during that time became widely acquainted among agents over the country.

With Mr. Hawes' resignation, the duties of H. P. Linn, first vice-president of Central Surety, will be extended to include supervision of the agency department.

New Trinity Universal Ohio Setup

Hall B. Liles, special agent for Trinity Universal at Columbus, O., has been appointed agency supervisor for northeastern Ohio with headquarters in the East Ohio Gas building, Cleveland. Heretofore the company has maintained only a claim office in Cleveland. The new arrangement will enable the company to give better service to agents in northeastern Ohio.

The Columbus branch continues to supervise the entire state. Robert F. Miller is manager.

Ralph E. Allen was recently appointed underwriter in the Columbus branch.

C. L. Newcomb, Jr., with A. & C.

Charles L. Newcomb, Jr., has been named casualty underwriter in the San Francisco branch of Accident & Casualty. He has recently been chief underwriter of Associated Indemnity and before that was connected with the Commercial Union - Ocean Accident group.

Greene Appointed Special Agent

Albert E. Greene of Buffalo has been appointed a special agent of Standard Accident working out of the Buffalo office.

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vice. He has spent 6½ years in insurance work in that section. Previous to his appointment he spent several months at the home office in intensive training.

DEATHS

Ingham R. Seward, Houston, Tex., local agent since 1933, representing Travelers and Travelers Indemnity, died suddenly. He had been a resident of Houston more than 45 years.

John Sherman Irish, 76, veteran assistant secretary of Iowa State Traveling Men's, died at his home in Des Moines after a long illness. He had been with the association since 1907. He was very active in the Health & Accident Underwriters Conference and several of the old-timers in that organization attended the funeral in Des Moines.

Frank J. Roan, 54, second vice-president and counsel of Metropolitan Casualty and Commercial Casualty, died at his home in Maplewood, N. J. He had been ill two weeks.

Mr. Roan graduated from Notre Dame and the law school of the University of Virginia. In 1911 he became associated with the trial counsel of Travelers at Chattanooga and later was Travelers' claims attorney at Columbus, O. In 1918 he went to Travelers' home office as casualty attorney and in 1923 was named supervising adjuster and attorney at Pittsburgh. In 1927 he joined Commercial Casualty as general claims attorney and in 1937 was named second vice-president of that company and also of Metropolitan.

Cal. Agents to Have 18 Meetings on War Cover

SAN FRANCISCO—Agents of California will be prepared to render prompt service in handling war risk coverage just as soon as definite information is received as the result of a series of 18 meetings to be held statewide by the California Association of Insurance Agents. The locale of these meetings at strategic points throughout the state has already been set by H. H. Hendren, president, and the exact time and dates can be set shortly after receipt of official information.

Discussion of war risk coverage occupied a large portion of the time of the directors at their meeting in Oakland Saturday and Sunday.

Ordinarily one of the acts of the June meeting of the board is to set the date of the annual convention, which is to be held at Long Beach this year. However, since no definite dates have been announced for the National association convention, the California dates could not be set.

The second day of the board meeting was opened to representatives of the fire and casualty organizations and the Business Development Office and Pacific Board.

Saturday the members of the board were guests of the Oakland Association of Insurance Agents at a luncheon. K. G. White, secretary-treasurer of the association, presided in the absence of R. C. Fischer, president.

U. S. Intervenes in Ohio Suit

COLUMBUS—In the long-pending suit of the state of Ohio for distribution of the deposit of Northern of Russia, the federal government is preparing to file a motion asking that the principal and interest be turned over to it. The original deposit, made nearly 30 years ago, was \$100,000, which in that time has accumulated \$23,000 interest. A number of claims have been filed by Ohio residents against the deposit.

III. Organizations Move

The move of the Insurance Federation of Illinois, Insurance Advisory Council of Illinois and Illinois Association of Insurance Agents to Room 616 Insurance Exchange, Chicago, will be this week end and the new headquarters office will be open for business Monday.

Educational Work Is Emphasized

(CONTINUED FROM PAGE 4)

is drastic curtailment in retail stocks, automobiles, and accessories, household utensils such as washing machines, refrigerators and radios; a drop in resort and recreational appraisals and income, security shipment, investment insurance, sporting goods, and similar insurable values.

War Problems Mark Pennsylvania Days

(CONTINUED FROM PAGE 10)

work done for many years to prevent the occurrence of accidents. In 25 years accidents to workers have been reduced more than 50 percent.

Today and every day, he pointed out, a small army of several thousand casualty insurance engineers and inspectors are going into places where essential war work is being carried on. Highly trained men with years of experience, they can see where danger lies and by cooperating with management take steps to avert that danger so that production can continue uninterrupted. The story might be very different if this were not true.

Many Problems Involved

Mr. Harvey told of the erection of an immense army air base outside the U. S. Hangars, barracks, warehouses, crash boat basins, highways, railroads, fuel tanks, etc., are being built. Most of the workers are natives with inherent eye weaknesses and brittleness of bones. It was necessary to employ many physically unfit workers because of a shortage of labor. Some workers deliberately stuck their fingers in the moving machinery out of curiosity. Accident frequency was 65.16 accidents per million man hours worked. Then a casualty insurance engineer went on the job. Typical of the problems with which he had to contend were the following: The injured was sleeping in the roadway and a truck backed over his chest, natives were cooking their lunches over an open fire about 50 feet from a dynamite magazine, a barrel partially filled with gasoline was standing in the dynamite area, makeshift dump trucks were used for hauling dynamite with no safety catch to prevent the truck body from tilting and dumping the dynamite on the ground, natives were riding on dynamite loaded trucks with electric detonators in their laps.

Takes Corrective Action

The engineer instituted regular meetings, set up a safety patrol, trained workers with initiative to make specific safety recommendations to foremen, put up safety posters in the native language, etc. The accident frequency has been reduced to 28 accidents per 1,000,000 man hours worked. There are many other examples.

On the home front, he said, 18,000 American workers died in accidents on the job in 1941. This was 6 percent greater than in 1940, but by the end of the year industry was employing 17 percent more workers. Actually, then, in spite of the fact that one of every six workers today is a relatively green hand, the occupational accident ratio has actually been reduced.

C. W. Pierce, manager National Bureau of Industrial Protection, Washington, D. C., outlined the work of his organization in war time operations.

SURETY PANEL

A panel discussion on surety sales and underwriting problems created by the war was conducted by the Surety Association of Pittsburgh. Participants

were W. E. Osborne, manager Hartford Accident; Paul Trimbur, manager Fidelity & Deposit; A. C. Supplee, manager U. S. F. & G.; F. E. Bradenbaugh, manager Aetna Casualty, and W. M. Reid, of Wallace M. Reid & Co.

Among the questions and answers were:

Q. How has the war affected premium volume of supply bonds?

A. Never before in history has there been a buying wave of all types of commodities and supplies as exists at the present time. Companies and individuals that have heretofore never given any thought to furnishing supplies or otherwise transacting business with the government are looking to Uncle Sam as one of their best if not their only client. We are, therefore, seeing not only more supply bonds than ever before but larger government contracts for supply commodities of every description.

No Changes in Rates

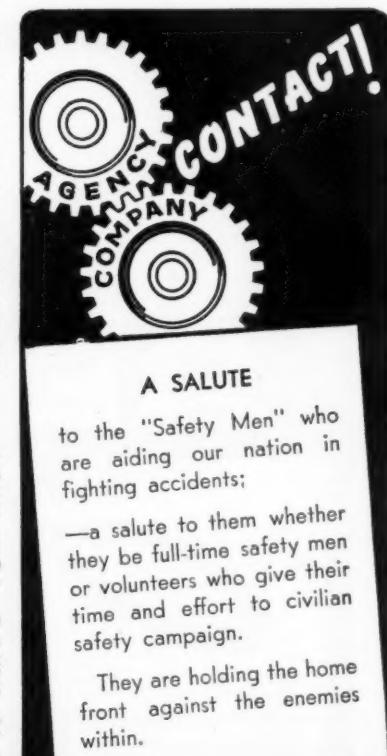
Q. How has the war and its requirements affected supply bond rates?

A. There have been no changes in supply rates although the government departments have in many cases required very nominal bonds or waived them entirely but the \$2.50 rate still prevails although the risk involved is much greater.

J. B. Ladley, W. L. Ladley Sons, president Pittsburgh Association of Insurance Agents, presided at the fire and casualty session. Jet Parker, Pittsburgh manager American Automobile, was cochairman.

Leonard Gardner, counsel New York insurance department, reviewed the operation of the New York financial responsibility law.

Stacey E. Webster, general agent Provident Mutual in Pittsburgh and associate administrator of the Pennsylvania war savings staff, and William Patrick Hitler, nephew of Adolf Hitler, were the speakers at the banquet, which attracted 500. Robert N. Waddell, gen-



COMMERCIAL STANDARD INSURANCE COMPANY
Fort Worth

June 18, 1942

eral agent Connecticut Mutual in Pittsburgh, was toastmaster.

REAL JOB AHEAD

Agents have a real job of selling to do if the War Damage Corporation coverage is to be widely enough distributed so that loss in its operation is reduced to the minimum, W. Ray Thomas, Pittsburgh, president of the Pennsylvania Association of Insurance Agents and member of the executive committee of the National association, said at the Pennsylvania Insurance Day's convention.

Persons located in areas least subject to enemy attack will be indifferent to the program, he said. The monetary compensation to the agent is small, but it will be advantageous to perform successfully the greatest selling job ever attempted in America.

Recent developments in the industry are imposing new responsibilities, Mr. Thomas said. If the business is to avoid the ominous perils which beset it, it will succeed only in the proportion that it unites its forces. Legislators and politicians are eyeing insurance profits as a possible subject for public exploration. People are becoming more price conscious, as witness the utterances of buyers, the complaints of management, and the disturbances recently developing in Texas and Canada. Agents are alarmed over the promiscuous appointments of uninformed and insincere agents, at the increasing complexity of forms and rules. Commissioners are studying uniformity in prices and cost. It is time for the business to modernize its methods of procedure and operation, and agents and administrative heads of the industry should get around the council table.

Trust Fund for Premium Accounts

Mr. Thomas urged agents to set up an unearned commission reserve because there are many factors in the present situation which make it dangerous not to do so. This is a good time, he said, to preach the doctrine of the creation of separate trust fund for net premium accounts due companies with no involvement of operating funds. This handling of premium accounts generally by agents would eliminate considerable worry and embarrassment in the post-war period of adjustment.

High-Low Plan Is Being Studied

(CONTINUED FROM PAGE 19)

commissions shall be based upon the standard premium. A provision of 8.8 percent, which is included in the existing manual rate for the items of general administration and payroll audit expenses is retained on the first \$1,000 of premium. Above that premium the provision is 4.1 percent.

Three Alternative Plans

Three alternative plans for an assured are embraced in the program.

The first is called the workmen's compensation premium return plan. It would apply to every compensation policy developing a premium in excess of \$1,000 unless the insured elects in advance one of the alternative plans. The premium return plan provides for a return to the insured of a percentage of the loss saving measured by the difference between the allowance for losses in the standard premium and the actual losses incurred under the policy. No insured will pay more than the standard premium under the plan. The present rules governing retrospective premium adjustment after termination

of the rating period will likewise apply to this plan.

Secondly, there is the retrospective plan with specified minimum premiums. This retains the maximum premiums that exist in the present retrospective rating plan. It also retains the principle of basic and minimum premium charges, although the values differ from those in the present rating plan in order to reflect the revised gradation of expense. Two options are provided under this plan. The first provides that each claim shall be included at its full value, while the second provides that each claim shall be included at its full value subject to a maximum limit of \$10,000 per claim. The rating formula differs from the present plan in that the provisions for taxes and for the industrial commission assessments are handled through the medium of multipliers rather than through loss conversion factors. The rating values under this plan were designed to produce a contingency factor of about 2.5 percent of the standard premium for all premium sizes.

Then there is plan No. 3, which is called retrospective plan with no specified minimum premiums. This is the same as plan No. 2, except that there are no minimum premium charges. The same two options are available, viz., no limit per claim or a \$10,000 limit per claim.

Mr. Leslie states that these alternative plans are designed to provide reasonable flexibility in the rating structure without, at the same time, injecting unwarranted complexity. Since there are no surcharges under the premium return plan, the credits in the form of premium returns are correspondingly limited. Some insured, however, may prefer to operate under a plan which gives them the opportunity to earn greater credits despite the possibility of a surcharge in the event of unfavorable experience.

If a retrospective rating plan with a \$10,000 limit per claim is selected, the limitation (with the corresponding higher set of basic premiums) will apply to the New York portion of the risk only.

C. W. Hobbs of the National Council on Compensation Insurance, in commenting on the National Bureau proposal, said that a \$5,000 premium limit for mandatory retrospective rating would perhaps be more satisfactory than the \$1,000 limit.

Insurance Women Meet Next Week

ST. PAUL—Officers and delegates to the annual convention of the National Association of Insurance Women will begin arriving here June 21, and a record attendance is predicted.

The convention gets under way Mon-

Bureau of Census Auto Fatality Records Studied

The weekly curve of automobile accident fatalities as tabulated by the Bureau of the Census continues to fail to outline a definite trend. For the week ended May 23, the number of deaths was exactly the same as for the same week in 1941, but for the week ended May 30, there was a decline of 44.2 percent. Automobile insurance people are watching these weekly figures with the utmost interest in an effort to see what effect the restrictions in driving are having. During April there was a sharp and continuous downward trend which seemed to indicate that a definitely lower level of automobile accidents was being reached, but during May the traffic toll ascended sharply and then the final week in May there was the big drop off. For the first 21 weeks of the year the traffic deaths were 8 percent below those of the same period last year, according to the Bureau of the Census.

day with a meeting of officers and the executive board. The general sessions get under way Wednesday and continue through Saturday.

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Interstate Risk Study Pondered

(CONTINUED FROM PAGE 3)

The I. U. B. has brought about much improvement, the committee states, but it is doubtful whether the practices that have developed since 1928 in the underwriting of interstate risks conform to the plan approved by the 1928 convention.

Advisory Estimates

The committee stated that the original proposed purpose of the I. U. B. of figuring "average rates" has given way to the figuring of "advisory estimates" and that the parties to whom these rates are to be recommended have been changed from "local rating organizations" to "filing company." Moreover the I. U. B. does not keep a record of the brokers and their various state licenses.

The committee produced a communication from J. R. Dumont, manager of the I. U. B., who states that the I. U. B. has never issued other than "advisory average rates" or "advisory estimates" nor has it submitted these estimates to local rating jurisdictions, these being furnished only to the filing companies.

In 1929, conferences were held with commissioners and a basic plan that was agreed upon at that time has been in use. All changes in the rules have been submitted to the New York department.

Shortly after the I. U. B. was set up, Mr. Dumont wrote, the question was raised by certain producers in New York City as to the propriety of the I. U. B. computing average rates and they also questioned whether under the New York law the I. U. B. was a rating organization. Superintendent Conaway ruled that the I. U. B. was not a rating organization and consequently the committees felt that it should not use the term "average rates" but rather "advisory average rates." The I. U. B. felt that the submitting of recommendations to the local rating bureaus for publication would cause a great deal of confusion and considerable trouble and expense in the way of printing and labor.

License Records Illusive

The I. U. B. committee came to the conclusion that they could not secure dependable information with regard to non-resident broker licenses in order accurately to keep up a list in the office. This was felt to be the responsibility primarily of each individual company.

The western committee states that the average rates of the I. U. B. while based on correct local rates, do not represent true and correct averages of such local rates but rather contain a deviation deemed by the recommending office to be appropriate. All interstate risks, according to the western committee, are not treated alike and it appears that sufficient scientific effort has not been exerted to reduce these factors to a hard and fast schedule basis. Competition is the principal factor which determines the final rate. The correct local premium is charged for values in specific rated states and the balance of the premium remaining after deducting these premiums is charged for values in non-regulated states.

The committee recalls that the California department recently required all fire companies to complete a questionnaire. This revealed that some but not all insurers writing interstate multiple location policies issue underlying policies for every state in which insured values are located; that some insurers don't issue underlying policies for any state; that some insurers issue underlying policies for some states but not for other states; that practically all companies issuing underlying policies retain physical possession of them; that about half the companies consider themselves bound by the individual underlying policies or by the more liberal

of the underlying policy or the master contract while others consider themselves bound by the master contract alone.

Gesture of Compliance

Also that those companies which consider themselves bound by the master contract alone issue underlying policies merely as a gesture of compliance with state laws; that the master policy usually conforms to the standard policy laws of the state in which actually issued; that sometimes the master policy conforms to the standard form of policy which applies to the majority of the locations; that almost always the companies show local rates in underlying policies covering values in rate regulated states which may be more or less than the rates specified in the master contract and actually charged; that commissions on interstate business are paid to non-resident persons who are not licensed as non-resident agents or brokers by the states in which insured values are located; that some companies make no effort to determine whether

the laws of states in which values insured are located permit licensing of non-residents or to determine whether the non-residents to whom commissions on interstate business are paid are so licensed; that some companies for rating purposes and to the extent credibility permits, make some effort equitably to measure the savings in insurance costs on interstate business while other companies make no such effort. Some companies make no effort to develop an experience rating plan either prospective or retrospective that gives recognition to the loss experience on interstate business while other companies make no such effort. Some companies allocate to each state for tax purposes the premium developed from an application of the rates specified in the master contract to the values insured located in such states regardless of the premium shown in the underlying policy, that some companies allocate to rate regulated states the premiums developed from an application of the approved rates in those states to the insured values therein and allocate the rest of

the actual premium to the non-rate regulated states. Other companies allocate the premiums charged among the states in which values insured are located in proportion to the ratio which the specific premiums for each state bears to the aggregate of the specific premium involved.

The blame for the development of existing practices must be shared by the commissioners, according to the committee, because of their failure to aid in working out a plan for conveniently and adequately insuring interstate risks without violating state laws and without illegal competition. "Nevertheless," the committee states, "illegal practices cannot be condoned and little or no excuse exists for the return of the carriers to camouflage so as to maintain fictional adherence to law or for their failure to seek correction at the hands of the proper authorities, of illegal practices of competitors."

At this point the committee set forth the recommendations as to principles which were printed in the June 11 edition.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

American Institute Plans Outlined in Indianapolis

INDIANAPOLIS—The educational plan proposed by the American Institute for Property & Liability Underwriters was explained Monday afternoon to a representative group of local agents and office representatives here by Dr. J. Edward Hedges of Indiana University and John F. Lance, chairman of a committee of the Indianapolis Insurance Board which was appointed to get a movement under way in Indianapolis to start a class next September. Indiana University is willing to cooperate fully by including the required courses in its extension program if enough show an interest. Already a dozen have definitely stated that they want to take the course, Mr. Lance announced.

H. J. Hadley, president of the Indianapolis Board, said that it is its ambition to see the course definitely established in Indianapolis so that there will be new classes started each year. Dr. Hedges outlined the establishment of the course with the sponsorship of the American Association of University Teachers of Insurance, so that any chance for the objection that the course is promoted by any particular insurance group was eliminated at the start.

While the course consists of five parts, it was stated that it probably can be covered satisfactorily in three years. Mr. Lance predicted that this property and casualty course will in ten years be out ahead of the C. L. U. course in point of public recognition because there are a number of prominent organizations with common interests which will welcome those who win the C. P. C. U. designation.

It was brought out that the course can be started in Indianapolis in September or October if at least 15 are ready to begin.

To Hold Iowa Conference on Educational Program

DES MOINES—A joint meeting of Iowa field men and members of the educational committee of the Iowa Association of Insurance Agents with George W. Scott, director educational division of the National Association of Insurance Agents, will be held in Des Moines June 23.

Mr. Scott will discuss with the Iowa men the National association's educational program. Schools have already been started in Des Moines, Council Bluffs and Ottumwa and plans call for county setups this fall.

Leon Morse, Council Bluffs, president of the Iowa association, will attend the meeting. Charles Smith of Des Moines is chairman of the educational committee for the Iowa association.

R. W. Forshay of Anita, National association president, also is expected to attend. Messrs. Forshay and Scott will go on from Des Moines to Minneapolis to attend convention of the National Association of Insurance Women.

Private Insurance of State Property in Mich. Barred

LANSING, MICH.—State property may not be legally insured with private carriers against fire or windstorm hazards even if warehoused goods exceed in value the amount usually carried in the state fire fund, according to an opinion by Attorney-general Rushton to E. A. Gump, secretary of the state

administrative board and head of the state's purchasing division.

The attorney-general cited the act creating the state fund and declared that language of this act "is mandatory and expressly prohibits the payment of any public money or funds on account of any insurance against loss by fire, lightning or tornado."

The matter of insuring state property with private carriers has arisen recurrently, chiefly because of considerable merchandise stocks, some of an especially hazardous character, owned by the state, including the large stocks of liquor maintained under the state's monopolistic liquor law and stocks of sisal kept at one of the prisons for an extensive binder twine industry. At several times since the state fund act was passed, the state administrative board has ignored its terms and placed coverage with private carriers, the most recent instances involving coverage of several million dollars' worth of liquor in the warehouses in Lansing and at branches and stores throughout the state.

In general the state's experience under its self-insurance plan has been good, despite the fact that property at risk in a number of single locations considerably exceeds the entire amount carried in the fund.

Loss of \$400,000 Is Suffered at Dubuque

Fire that destroyed the five-story brick building of the Iowa Egg Products Company at Dubuque caused property loss of about \$400,000. Part of the loss consisted of 260,000 pounds of powdered eggs that were intended for lend-lease shipment. Also destroyed was the four-story building of the Iowa Produce Company and concerns suffering damage were the Midland Chemical Company, Dubuque Wholesale Grocery Company, T. J. Mulgrew Coal & Ice Co., Trausch Baking Company and Illinois Central railroad fruit shed.

Preston and Robert Durbrow owned the egg products plant and the produce company building.

The Federal Bureau of Investigation and the Iowa fire marshal's office are making an investigation.

There was \$60,000 on the egg products building and the contents were valued at about \$220,000. They had, at least until recently, been insured under a marine form. About \$40,000 of merchandise had been shipped out on the day of the fire.

The fire is believed to have started in the only drying chamber that was in operation at the hour.

The companies on the building line included Michigan F. & M., Pearl, L. & L. & G., National Union and General of Seattle.

Will Confer June 26 on Minnesota Convention Plans

ST. PAUL—Plans for the annual meeting of the Minnesota Association of Insurance Agents will be discussed at a meeting of the executive committee here June 26. George W. Scott, educational director of the National association, will be present to advise the committee on an educational program for Minnesota next fall and winter. The series of lectures which have been put on the last six months before regional associations have been well received.

Milton Mays and Fred Westervelt, Jr., of the B. D. O., and President R. W. Forshay of the National association also

will attend the executive committee meeting. All the state and National association officials will participate in the convention of the National Association of Insurance Women in St. Paul that week.

Chairman R. A. Thompson of the program committee hopes to have the names of speakers for the annual meeting ready to announce at the conference in St. Paul. C. O. Brown, Rochester, will report on the progress being made in working out an agents' qualification questionnaire. Other committee reports will be made.

Western Adjustment Changes

Robert F. Irvine, manager at Kansas City, Kan., for Western Adjustment, has been commissioned a first lieutenant in the army and has reported for duty at Ft. Snelling in Minnesota. He has been a reserve officer.

The new manager at Kansas City, Kan., is George C. Bredberg, who has been chief of staff at Kansas City, Mo., and is entirely familiar with the territory of the Kansas City, Kan., branch.

Replacing Mr. Bredberg as chief of staff at Kansas City, Mo., is Ben M. Butler, who has been general adjuster at Omaha.

Gerald Stafford of the Kansas City, Kan., office has also been inducted in the army and his place is being taken by J. B. Jarvis, who has been located at Topeka.

Plan Joint Meeting in Cincinnati

The third district of the Ohio Association of Insurance Agents and the Cincinnati Fire Underwriters Association will join in a meeting at the Hotel Gibson, Cincinnati, June 22 at which time Karl D. Dakin of Lebanon, president of the association, will give a "Review of Association Affairs" and John H. Eglof, supervisor of agency field service of Travelers, will talk on "Comprehensive Liability Insurance." An open forum on war damage insurance will be conducted by West Shell, president of the Cincinnati Board.

Ray Martin, executive secretary Ohio Association of Insurance Agents will give a talk.

Advertise War Damage in St. Paul

ST. PAUL—Agents affiliated with the Insurance Exchange of St. Paul lost no time in acquainting property owners with the details of war damage insurance. The exchange bought a quarter page in local newspapers to explain the provisions of the war damage setup and to offer the services of its members in providing this protection. Appended was a list of all members of the exchange.

Insurance men here report a good deal of interest in the new coverage and expect considerable to be written on homes as well as industrial plants.

New Fire Code in Indianapolis

Indianapolis now has one of the best fire codes in the country due to the efforts of the fire code committee of the Indianapolis Chamber of Commerce. Alwin E. Bulau, Indiana state agent of Home, is chairman of that committee and with his associate members has been able to overcome the remnants of opposition to such a measure that have been more or less active during the past 30 years. The text of the code that has been passed by the Indianapolis city council follows as nearly as is possible for a specific town the model code recommended by the National Board.

Department Loses Auto Club Case

COLUMBUS—By refusing to order up for hearing the case of the Cincinnati Automobile Insurance Agency, Inc., the Ohio supreme court has upheld the judgments of the common pleas and

appeals courts. The effect of the decision is that courts passing on the suitability of applicants for licenses are not confined to testimony considered by the superintendent of insurance and that the court is the final judge of such suitability.

No Reduction in Mich. Licenses

LANSING, MICH.—A breakdown of figures on agents' licenses issued by the Michigan department fails to justify earlier predictions that a substantial reduction in license totals would be shown. The total number of licenses of all classes issued as of April 1, start of the licensing year, was 61,852, according to figures released by Frank M. Cordero, deputy commissioner, as compared with 61,563 April 1, 1941. In some classifications, notably stock fire and life, there are slight reductions.

Mr. Cordero said there had been about 200 cancellations between April 1 and June 1 but nearly 5,000 additional licenses were issued in the same period, the total licenses as of June 1 amounting to 66,791.

Kansas Educational Meetings

Thirty agents and field men attended the educational meeting at Osawatomie, Kan. Fred Coleman, Garnett, chairman of the unit, presided. A panel discussion on stock competition was led by Curtman Maupin, Home, assisted by Lloyd L. Gaines, Commercial Union; George Spears, Ottawa local agent; George Loft, Osawatomie local agent, and George McCullagh, Travelers Fire. Agents attended from Ottawa, Garnett, Paola and Osawatomie. The next meeting will be held at Paola in September.

A meetings of the southeast Kansas unit was held at Pittsburg with 30 in attendance.

Joint Meeting for Racine County

RACINE, WIS.—About 30 members of the Racine County Association of Insurance Agents attended a joint session with the Racine local board at Brown's Lake. The new government war damage insurance plan was the main topic of discussion. Films of a London air raid, the bombing of Pearl Harbor, and the sinking of the "Normandie" were shown.

Form 11th Minnesota Regional

BEMIDJI, MINN.—Another agents' regional association to serve the Bemidji area was organized at a meeting at Bemidji June 16. Marvin Larson, district chairman of the state association, presided and Frank S. Preston, executive secretary of the state association, assisted in the organization. John McHale of New York Underwriters and S. W. deWaard of the National Liberty lectured on the history of insurance and types of carriers.

This makes 11 regionals in Minnesota with only one district yet to be organized.

Milwaukee Board Outing June 30

MILWAUKEE—The Milwaukee Board will hold its annual outing at Ozaukee County Club June 30. Solicitors and field men have been invited as have members of the Milwaukee Board of Casualty & Surety Underwriters. Winners will be announced and prizes presented at a dinner.

Civilian Defense Rally at Fremont

Fire insurance men of Ohio, including both company representatives and agents, took part in a civilian defense meeting Thursday at Fremont. O. R. S. Tidrick, Springfield F. & M., Columbus, introduced the speakers, who were W. N. Robins, American, fire protection; C. W. Little, Sun, fire prevention; J. A. Neilan, Norwich Union, bombs, and W.

L. Egel, Yorkshire, espionage and sabotage. This is one of series of meetings being arranged by the fire insurance section of the civilian defense movement in Ohio.

Iowa 1752 Club Elects

Bryan Connell of Farmers Mutual Hail has been elected president of the 1752 Club of Iowa. G. A. Gage, Iowa Mutual Liability, Cedar Rapids, is vice-president; George A. Ferguson, Mid-Western Casualty, Des Moines, treasurer, and L. K. Murry, Allied Mutual, Des Moines, secretary. The club will hold its quarterly party at Cedar Rapids June 26.

Plans for Mich. Convention

A report was bruted abroad during the week that the Michigan Association of Insurance Agents had called off its annual meeting that was scheduled at Mackinac Island, Sept. 3-5. Manager W. O. Hildebrand states that the convention has not been called off. There will be a meeting of the officers and executive committee Thursday of this week when a definite decision will be reached as to the convention.

St. Louis Buyers Plan Panel

ST. LOUIS—The insured members' conference of the Associated Industries of Missouri here will hold a panel June 23. H. Ramel, Ramsey Accessory Manufacturing Corporation, will be the buyer; W. A. O'Connor of Thompson, Kincade, O'Connor & Powers, will answer questions on casualty; F. H. Doenges, Fidelity & Deposit, on bonds, and John J. O'Toole, F. D. Hirschberg & Co., on fire.

War Cover "Ad" in Kokomo

The Kokomo, Ind., insurance board the other day took a full page advertisement in the Kokomo "Tribune" to explain some of the high points of the War Damage Corporation setup. The rates are set forth, some of the policy provisions and rules and then the names of the member agencies are printed.

Columbus May Cut Protection

COLUMBUS, O.—This city may drop 150 men from the fire department and a like number from the police department as a result of the defeat at the polls of a proposed 2.5 mill levy. It is planned to keep the 20 engine houses in operation, but with reduced staffs, and one of the two emergency squads may be abandoned. Military police will be sought for the downtown districts.

NEWS BRIEFS

W. E. Barkley, president of Union National Life of Nebraska, has been elected vice-president and director of the Commonwealth Company of Lincoln, which operates banking and insurance departments. Mr. Barkley and S. E. Copple, president of the Commonwealth Company, formerly operated a general insurance agency which has been consolidated with Commonwealth.

The Esselburn & Ellis Agency, Akron, O., firm, is celebrating its 54th anniversary. Charles Esselburn, 79, president, and George H. Ellis, 69, vice-president, are still active and both say they have no intention of retiring. R. E. Ellis, son of the vice-president, is secretary, and Ford Carpenter is treasurer.

The South Dakota Association of Insurance Agents will probably hold its annual meeting just preceding the Wyoming meeting at Thermopolis, Sept. 18-19. The time and place, however, have not yet been decided. Jay B. Allen of

Sioux Falls is secretary and George R. Barnett of Sioux Falls, president.

The Rock Island (Ill.) Association of Insurance Agents, which has conducted an annual outing and agents picnic every year, finds it advisable not to hold this function this summer owing to war conditions.

St. Louis has exceeded its quota in the United China Relief Fund drive, under the direction of Boyle O. Rodes of the W. H. Markham & Co. agency.

The annual golf party of the Youngstown (O.) Association of Insurance Agents is being held July 16 at Tippe-

canoe Country Club. Field men of all companies represented by the members have been invited.

The Insurance Women of Lincoln, Neb., elected Nelsine Scofield and Ellen Deming delegates to the national convention in St. Paul. Arthur Perry, Lincoln lawyer, spoke on "Adjustment of Unusual Insurance Cases."

The Insurance Board of Cleveland will hold a business meeting at noon June 24.

H. H. Hall has purchased the Charles Frick agency at Elkader, Ia. Mr. Frick has entered war work in Detroit as an engineer for General Motors.

business on the military reservation. Mr. Read had pointed out in a recent letter to the commandant that some non-admitted companies were resorting to this practice but that the Oklahoma laws provided that only companies licensed in the state shall be permitted to solicit business on military reservations located in Oklahoma.

County Insures Voting Machines

NASHVILLE, TENN.—Davidson County has contracted with the Broadway Insurance Agency for \$175,000 all-risk coverage on 170 voting machines, paying a premium of \$290. The machines are now stored in a warehouse, but the coverage includes use and transportation to and from voting places.

Launch "Alabama Insuror"

The first issue of the "Alabama Insuror," new official monthly publication of the Alabama Association of Insurance Agents, has just come from the press. It is an eight-page tabloid, bearing on the front page a picture of Ed. H. Moore, new president of the state association. M. R. McGruder, new executive secretary of the association, is editor.

New Johnson City Officers

JOHNSON CITY, TENN.—The Johnson City Exchange has elected the following officers: President, Perry D. Hunter, succeeding George Oldham; vice-president, Joe A. Summers; secretary-treasurer, Mrs. Rebecca Rogers. R. T. Cawthon, secretary-manager of the Tennessee Association of Insurance Agents, was a guest.

Confirm New La. Fire Marshal

BATON ROUGE—The Louisiana senate has confirmed the appointment of Fred C. Parker, Jr., as state fire marshal, thus ending the conflict for possession of the office made vacant by the death of C. P. Fournet.

When Mr. Parker first received his commission, Chief Deputy Jack McCarthy refused to turn the office over to him, on the ground that his appointment was invalid unless confirmed by the senate.

Mr. Parker resides in Baton Rouge and served as chief deputy sheriff there some years ago. He was also a member of the capitol police in Washington, D. C.

Upon assuming office Mr. Parker dismissed all employees of the department and announced that he would begin restaffing the office this week.

G. Dewey Detwiler, Louisville local agent, was reelected commander of the Henry Watterson Post, American Legion, at the annual meeting.

Paul Guild, formerly with the Earl Guild agency at Shawnee, Okla., and recently of Chicago, was married to Sophie Jonas of the Clifford Wetzel agency of Ponca City, Okla. Mr. Guild will enter air corps training June 18 at Kelly Field, Tex.

Pauline Nelms has been elected president of the Insurance Women's Club of Oklahoma City. Margherita Beaver and Joyce M. Lindsey are vice-presidents; Betty Norwood, secretary; Ruby Crist, treasurer.

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COAST

Cal. Suspends Licenses in Return Premium Issue

SAN FRANCISCO—Commissioner Caminetti of California has suspended the agents and brokers licenses of Clarence de Veuve and Clarence de Veuve & Co., veteran general agency organization, for five days, from June 22-26. Charges against Clarence S. de Veuve and Earl de Veuve, sons of Clarence de Veuve, were dropped.

Originally Dubuque Fire & Marine, represented by de Veuve for many years in California, was also cited by Mr. Caminetti at the same time. These actions followed investigations on complaints that a large number of persons whose policies had been canceled could not obtain their return premiums. According to the findings upon which Mr. Caminetti based his suspension order, de Veuve first ignored these demands and sometimes proffered the net return premium, contending that sub-agents had received commissions, etc. The department insisted upon the payment of the full gross return. There are statements in these findings that Dubuque F. & M. authorized de Veuve to pay the gross out of current collections, which, it is claimed, was not done.

Dubuque was absolved from any guilt in the situation, which developed from the investigation conducted by the department in its search for unlawful and unethical practices in automobile insurance issued to and through dealer-agents.

The de Veuve organization is one of the oldest general agencies in California and has always operated "non-board."

This suspension order affects Clarence de Veuve and Clarence de Veuve & Co. only, and not agents and brokers doing business with Clarence de Veuve or Clarence de Veuve & Co.

The charges grew out of the cancellation of a number of automobile policies, and where the defendants did pay a return premium on demand they paid only the net return instead of the gross, although Dubuque Fire & Marine instructed the agency to use specified funds for that purpose.

Ask Insurance Office Hour Shift

SEATTLE—An appeal has been made to Seattle insurance offices by the War Production Transport Commission to change their office hours to 10 to 6 o'clock, instead of 9 to 5. Kenneth B. Colman, chairman of the commission, called a meeting of the presidents of all Seattle insurance organizations and outlined reasons for the request. Each representative was to relay the request to his respective organization and report to the commission.

Concerted action on the request was suggested by several insurance organizations. It was pointed out by the agents' organization that shifting office hours would prove unpopular with office workers and would cause a serious dislocation



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in personnel unless all offices comply with the change.

Revalue Mont. State Property

BUTTE, MONT.—Tentative value of state-owned property, buildings and contents for fire insurance purposes has been placed at \$12,494,350 by the Montana state board of examiners, compared with \$14,064,544 covered by the present policy for about \$11,000,000 written by Pearl.

The expiration date of the Pearl policy was May 25, but it has been extended by state board to expire July 1 for a pro rata extra premium of \$3,762. This will permit the board to complete a revaluation of state-owned properties.

"Share Your Auto" Plan

SAN FRANCISCO—To assist special agents, adjusters and other insurance men who must travel about the state in furtherance of their work, the National Automobile Club has set up a "share your auto" pool. Those arranging to travel register at any one of the club's offices, giving their itinerary and dates, also if they are using an automobile or desire to accompany others.

Glendale Exchange Elects

The Glendale (Cal.) Insurance Exchange at its annual meeting elected these officers: President, Hal E. Wright; vice-president, Roy Clayton; secretary-treasurer, W. E. Hadsell.

Salt Lake War Damage Session

SALT LAKE CITY—Preliminary plans for handling war damage insurance in this area were made by the Salt Lake Association of Insurance Agents at a special meeting at which the war damage setup was explained in detail by Frank W. Bland, Pacific Coast manager of THE NATIONAL UNDERWRITER. J. J. Weinstock, vice-president of the association, presided.

Discuss Joint Convention Plans

PORTLAND, ORE.—The Portland Association of Insurance Agents held its June membership meeting and discussed with President Harry Hollister of the state association plans for the coming joint Oregon-Washington convention in Portland Aug. 26-28.

Hail Losses in Colorado

DENVER—More than 600 claims are in the process of being adjusted in Sterling, Colo., as a result of a freak hail storm. Although other cities in northern Colorado were involved in the same storm, the most extensive damage was done at Sterling. The Fire Companies Adjustment Bureau has a crew of men settling the claims.

Whittier Exchange Elects

The Whittier (Cal.) Insurance Exchange has elected these officers: President, E. C. Brodrick; executive committee

tee, Vane Steadman, Tolbert Moorhead and W. H. H. Pilcher.

NEWS BRIEFS

Jack R. Elliott, recently a partner in Byington & Rychard, Seattle, left that firm to become associated with Carter, MacDonald & Co. Formerly he was with Rhodes, Wilton & Barron, Seattle, and D. A. Duryea & Co., Everett, Wash.

Clarence R. Wagoner, for many years in insurance work in Portland, Ore., has joined the new local agency of Sayler-Gray, Inc., as manager of the fire insurance department.

Dwight E. Eveleth, vice-president of Premier, veteran of the last war and student of naval battles, discussed the Battle of Jutland, with illustrations, before the San Francisco Insurance Accountants Association.

The Insurance Women's Club of Long Beach, Cal., has installed these new officers: President, Cora Morgan; vice-president, Irene Celmo; recording secretary, Virginia Newell; corresponding secretary, Gladys Wales; treasurer, Rose Stanley.

EAST

W. F. Morse Heads New York State Brokers Body

William F. Morse of R. C. Rathbone & Son has been elected president of the newly organized Brokers Association of New York State, Inc. Warren E. Day of Day & Monroe of Syracuse is vice-president; R. E. Friedlich of the R. E. Friedlich agency of Rochester is secretary and Harry C. Gott of the Ten Eyck agency of Albany is treasurer. Directors are Mr. Day, C. L. Despard of New York City; A. N. Fowler of New York; Mr. Friedlich, S. S. Gray, New York; Mr. Gott, Courtland Otis of New York; E. Paul Schaefer, Mt. Kisco, and Mr. Morse.

W. B. Adams Named Head of New England Mutuals

BOSTON—W. Bruce Adams, vice-president and secretary of Fitchburg Mutual Fire, was elected president of the Mutual Fire Insurance Association of New England at its annual meeting here, succeeding Forrest E. Wheeler, Worcester Mutual Fire.

The other officers: First vice-president, C. G. Gesen, Manufacturers & Merchants Mutual, Concord, N. H.; second vice-president, E. R. Horton, Pawtucket Mutual Fire; secretary-treasurer, C. F. Danforth; executive committee, W. A. Robbins, Abington Mutual Fire; H. K. Bartlett, Traders & Mechanics, Lowell, Mass., and Earl E. Greene, Berkshire Mutual Fire.

President Adams urged the 23 mem-

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INLAND MARINE

ber companies immediately to file application, if they had not already done so, with the War Damage Corporation to represent the government as fiduciary agents in the sale of war risk insurance.

Retiring President Wheeler commended the companies for affiliating with the New England Rating Association and declared the rating situation now seems to have been adjusted satisfactorily.

Hold Baltimore Outing

The Insurance Society of Baltimore is holding an outing Thursday of this week at Tolchester Beach. A number of recreational features have been planned, including a moonlight sail.

NEWS BRIEFS

Al Sinn of the Alfred C. Sinn local agency of Clifton, N. J., gave a party to celebrate his twenty-fifth year in the business. Company officials and field men played golf at the North Jersey Country Club, Preakness, in the afternoon, and attended a dinner at night.

The Insurance Society of Massachusetts will hold a golf tournament June 25 at the Oakley Country Club, Watertown, Mass., with W. T. Jordan as chairman.

F. K. Rogers, independent adjuster, has been elected captain of the Ancient & Honorable Artillery Company of Boston.

CANADIAN

Ontario Agents Stirred Up Over Prospects of Licensing Dealers and Finance Men

TORONTO—Ontario fire and casualty insurance agents are uniting in a concerted effort to prevent the invasion of automobile finance companies and automobile dealers into the automobile insurance field.

Over the signature of John D. Kirby, Ottawa, president of the Ontario Fire & Casualty Insurance Agents Association, a circular has been sent to all members urging the necessity of immediate action.

General Exchange has been pressing the suggestion that automobile dealers be licensed to write insurance, it was stated in the letter. The All Canada Insurance Federation, representing tariff, non-tariff and mutual companies, through its executive committee (not

a full meeting of members) has indicated that it will have no objection to the licensing of automobile dealers to write insurance, it is stated. This is considered a very serious threat to the agency system. It is directly contrary to the policy of the Ontario department of insurance regarding the licensing of agents and should it become an accomplished fact the implications are that it would not stop at licensing automobile agents.

Ontario association members are being urged to register their opposition with provincial legislators and their companies.

A series of meetings is to be held with representative insurance bodies beginning June 19. There is a confident feeling that the combined efforts of the agents may be sufficiently strong enough to force withdrawal of any recommendations to license automobile dealers into the automobile insurance field.

Seek Entry During Slack Period

Automobile dealers and finance companies have been trying to penetrate the automobile insurance field for years, according to a Toronto executive. "Now, when it looks as if the automobile insurance is going to fade away to practically nothing, the idea seems to be that this would be an opportune time to step in—when, on the surface, it would seem that little, if any, attention would be paid to developments of that nature due to the forthcoming lack of business. The plan is one that has a long-term viewpoint. If automobile dealers and automobile finance companies could get in while everything's quiet, then they would have overcome their main problem and would be in an ideal position to cash in on the business the agent is getting now when the war is over and there is a flood of demands for new automobiles."

Tax Status of War Premiums

TORONTO—Under the Canadian war risk insurance bill, premiums payable on any contract of insurance shall, for the purpose of the income tax act and the excess profits tax act, be deductible as an expense of carrying on the business if the property insured "under such contract of insurance is used in connection with and required for the purpose of the trade, business or calling of the insured, but such deduction shall only be allowed to the extent that the total taxes payable by the insured under the said act are thereby diminished by 40 percent of the said premium."



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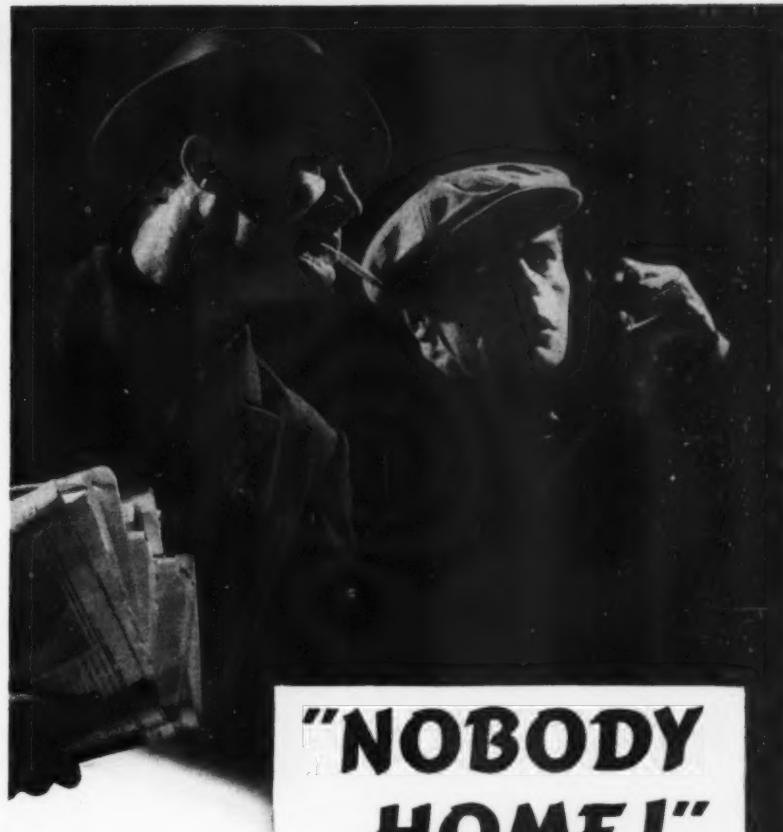
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